REPORT RESUMES

ED 011 451 JC 660 377

FINANCING JUNIOR COLLEGES IN CALIFORNIA, A CRITICAL ANALYSIS OF THE STATE SUPPORT PROGRAM.

BY- ALKIN, MARVIN C.

CALIFORNIA STATE DEPT. OF EDUCATION, SACRAMENTO

PUB DATE NOV 66

EDRS PRICE MF-$0.18 HC-$3.36 84P.

DESCRIPTORS- *JUNIOR COLLEGES, *EDUCATIONAL FINANCE, *FINANCIAL SUPPORT, *STATE PROGRAMS, *STATE AID, SACRAMENTO

A COMPREHENSIVE APPROACH TO PROBLEMS OF DEFINING AND ESTABLISHING AN EQUITABLE BASIS OF STATE SUPPORT IS DEVELOPED IN THIS STUDY. CALIFORNIA JUNIOR COLLEGES ARE COMPARED WITH NATIONAL AVERAGES ON SUCH VARIABLES AS ENROLLMENT, FINANCES, AND FACULTY. A HIGHER DEPENDENCE ON LOCAL FINANCING IN CALIFORNIA IS NOTED. INEQUITIES IN FACULTY SALARIES ARE RELATED TO THE SIZE OF THE COLLEGE, WITH LARGER COLLEGES PAYING HIGHER SALARIES. IN ORDER TO ASSESS THE EXISTING SUPPORT PROGRAM, A SERIES OF FIVE GUIDELINES IS DEVELOPED AND TESTED WITHIN THE CONTEXT OF THE CALIFORNIA EXPERIENCE. A 15-COLLEGE SAMPLE IS ANALYZED ON THE BASIS OF 22 VARIABLES TO PERMIT DEFINITION OF RELATIONSHIPS AMONG CERTAIN MEASURES OF FINANCIAL SUPPORT, COMMUNITY CHARACTERISTICS, AND SELECTED CRITERIA INCLUDING MEASURES OF COLLEGE PRODUCTIVITY IN THE TECHNICAL-VOCATIONAL AND ACADEMIC AREA, AND INDEXES OF NONVOLUNTARY DROPOUT RATES. THE AUTHOR CONCLUDES THAT DISTRICT TAX BASES ARE THE PRIMARY DETERMINANTS OF VARIATION IN CRITERION VARIABLES AND FINANCIAL INPUTS. A SERIES OF ALTERNATE PROPOSALS IS DEVELOPED WITH REFERENCE TO IMPROVING AND EQUALIZING THE DISTRIBUTION OF FISCAL RESOURCES AMONG THE JUNIOR COLLEGES. (AL)

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

FINANCING JUNIOR COLLEGES IN CALIFORNIA

A Critical Analysis of the State Support Program

UNIVERSITY OF CALIF.
LOS ANGELES

DEC 0 8 1966

CLEARINGHOUSE FOR
JUNIOR COLLEGE
INFORMATION

ED011451

California State Department of Education
Max Rafferty, Superintendent of Public Instruction

JC 660 347

FINANCING JUNIOR COLLEGES IN CALIFORNIA

A Critical Analysis of the State Support Program

MARVIN C. ALKIN

A Study Authorized and Supported by the
JUNIOR COLLEGE ADVISORY PANEL,
CALIFORNIA STATE BOARD OF EDUCATION

Panel Members

Mr. Milton L. Schwartz, Chairman
Mr. Ralph E. Boynton, Vice Chairman
Dr. Julio L. Bortolazzo
Mr. Myron Chenard
Dr. Walter M. Garcia
Mr. Francis N. Laird
Dr. Richard B. Miller
Mr. Angel Morales
Mr. John H. Porterfield
Mr. F. Parker Wilber
Mrs. Stanton Zoglin

Mr. James W. Keene, Executive Secretary

ERRATA

In attempting to produce a comprehensive report in the limited amount of time allotted, it was not possible to do a thorough job of proof-reading before the press deadline, and, unfortunately, some errors have found their way into the text. As a result, the reader is referred to the Errata sheet appended to the back of this report where some of the more important errors are noted.

ACKNOWLEDGEMENTS

This study of financial support of junior colleges in California was authorized and supported by the Junior College Advisory Panel to the California State Board of Education. The term of the study was only four months, a period of time which, under normal circumstances, would have been too short to achieve this product. However, this study benefited from a high level of cooperation on the part of the Panel and the State Department of Education, intensive effort by members of the support staff for the study and the able advice and consultation offered generously by many individuals throughout the State.

Thanks are given to Ronald Cox, Gerald Cresci, Donald Fitzgerald, John Lombardi, Archie McPherran and Henry Tyler for their helpful suggestions made during the germination stages of this study and at various times throughout the past four months.

Grateful appreciation is also extended to Charles Benson, Harold Dyck, George Starrett, James Keene and to my colleagues at UCLA, Erick L. Lindman, B. Lamar Johnson and Frederick Kintzer for their patience in reading portions of the manuscript and for their constructive criticism.

The conceptualization of Chapter 4 is, in part, due to the influence of H. Thomas James. For this and his contribution to the author's thinking on School Finance, generally, the author is grateful.

The author acknowledges a debt of gratitude to Vernon Hendrix who was the co-author of Chapter 6.

Joseph Michaels and Alfred Zucker were associated with the study at an early stage. Mr. Zucker contributed substantially to the development of Chapter 2, the historical overview. Ronald Pope and Samuel Christie assisted throughout the study. Mr. Christie was partially responsible for the development of Chapter 1; Mr. Pope helped on computer runs and data analysis throughout the study. The author thanks also Mrs. Phyllis Bailey for her help in coordinating the activities of the project. Finally, the author expresses sincere appreciation to Miss Barbara L. Cohen for her editorial assistance throughout.

MCA

Los Angeles, California
November, 1966

TABLE OF CONTENTS

Chapter Page

1 California Junior College Education In The National Setting 1

2 An Historical Overview of the Factors Related To Financing Junior Colleges In California 5

3 Guidelines 11

4 An Analysis of the California Junior College Support Program 17

5 Evaluation of the California Junior College Support Program 24

6 Input-Output Relationships 34

7 Recommendations for the State Support Program 40

Appendix A 60

Appendix B 61

Appendix C 62

Appendix D 63

Appendix E-1 64

Appendix E-2 66

Appendix E-3 68

Appendix E-4 70

Appendix E-5 72

Appendix E-6 74

Chapter 1

CALIFORNIA JUNIOR COLLEGE EDUCATION IN THE NATIONAL SETTING

The *California Master Plan for Higher Education* calls for the junior colleges to play a major role in higher education—it calls on them to assume greater responsibilities for educating beginning college students than they have in the past. At the same time, the *Plan* recommends that the State accept a larger share of the financial burden to support its junior colleges. This latter objective, however, is not acceded to according to plan. In order to make a more realistic judgment of the implications of this failure, it is pertinent to examine several aspects of the educational system that affect junior college financing. For example, we should investigate the number of students in the system, sources of income, expenditures, plant investment, salaries, and student-faculty ratios.

The purpose of this chapter, therefore, is to place the financing of California junior colleges in broad perspective—the California System will be compared with systems of the other States through evaluating selected variables.

*Enrollment**

In comparing enrollment in the public junior colleges in California with enrollment in other states, one pattern clearly emerges: California has placed a substantially greater portion of its investment in higher education in the junior college program than have the other states. As of 1965, enrollment in public institutions of higher education in California comprised 17.3 per cent of the total for the United States, yet enrollment in California public junior colleges made up 44 per cent of the total junior college students for the nation.

As an example of California's reliance on the junior college as part of the system of higher education, one might consider the ratio of freshmen entering junior colleges to freshmen entering the four-year institutions. Then, he might compare this ratio with the national one. In California in the fall of 1965, 88 per cent of the freshmen entering college in a public institution enrolled in a junior college. For the nation as a whole, the figure was 32 per cent.

The great disparity between freshmen enrollment in junior colleges and four-year institutions may be explained to some extent by part-time enrollees. Since the junior colleges are widely dispersed, those students who must work and go to school find it easier to attend a junior college because they can usually continue to live at home with their parents.

The ratio of part-time to full-time enrollees in California junior colleges was checked against that of the United States: in the United States 44.4 per cent of public junior college students working toward the bachelor's degree were enrolled part-time; in California this category represented 53 per cent.*

It is also meaningful to examine the relationship between junior colleges and four-year institutions in relation to part-time enrollment. In the United States, public junior college enrollment represents 20 per cent of the total for all public higher education and 30 per cent of all of the part-time enrollment. In California, the junior colleges account for 66 per cent of all students and 82 per cent of the part-time students. This means that junior colleges nationally tend to draw most heavily from those in the population unable to attend college on a full-time basis (in many instances for financial reasons); this trend is even more pronounced in California.

If California is diverting a much greater percentage of college students to the junior colleges, is it not (because of close proximity of colleges and free tuition) extending the opportunity of a college education to a greater number of students than other states? As one might expect, the data offer an affirmative answer. California has 9.4 per cent of the entire population of the United States, and 17.3 per cent of the college students. The greater reliance on public junior colleges in California may bring additional benefits—it may mean that not only will opportunities for a college education be extended to more people, but that every dollar spent for education goes further and that the quality of education is, therefore, enhanced.

A survey of new facilities built during the four-year period 1961-65, indicated that the cost of junior college facilities which would house 66 per cent of the new full-time equivalent undergraduate enrollment was only 43 per cent of the combined public and private capital funds. These ratios confirm the generalization that facilities for two-year colleges cost less per student than do those for four-year liberal arts colleges and other types of institutions. In California, by enrolling the bulk of the undergraduate students in junior colleges, the state colleges

---

*Source material on enrollment: U.S. Department of Health, Education and Welfare. *Opening Enrollment (Fall) 1965 in Higher Education.* Circular 796, 1965; Department of Finance, State of California, *Total and Full-time Enrollment in California Institutions of Higher Education, Fall 1965,* March 1966; U.S. Department of Health Education, and Welfare, *Education Directory, 1965-66, Part 3, Higher Education,* 1966.

*The only data on part-time students in junior colleges in the U.S. is that relating to students working toward a B.A. degree. The data for California were derived by taking *66 per cent* of the graded students. According to the Coordinating Council for Higher Education (Report No. 1018, Apr. 1965, p. 17), over 2/3 of the students declare they intend to seek a B.A.

and the University are freed to some extent, from the necessity of expanding their physical plants. This, in turn, permits them to concentrate on quality education through expansion of research facilities, and lower student-faculty ratios.

If, as we have seen, the junior colleges play a more important role in higher education in California than in the rest of the nation, does the State of California, in turn, assume greater responsibilities for junior college financing than do other states?

*Finances**

Sources of Revenue

In general, the three sources of revenue for public junior colleges, in the order of the size of their contribution, are the local government, the state government, and student fees. The contribution made by each of these sources is determined by the role of the junior colleges in the state system of education and the State's commitment to the idea of equal educational opportunity for all at the junior college level. In California, junior college students pay no tuition. (This may have some bearing on the fact that California has a larger junior college population than other states.) This is not true, however, in states where there is a substantial dependence on student fees (a category which is made up primarily of tuition charges) to finance the junior college. In 1959-60 (the most recent nation-wide data available), student fees represented 12.1 per cent of the total educational income for public junior colleges in the United States. For the same year in California, it accounted for only two per cent of the income. The dependence of United States junior colleges on student fees is actually greater than these figures would appear. There were 21 states in which student fees accounted for more than one-third of the educational income; in nine states student fees accounted for one-half of the income; and in two states student fees accounted for two-thirds of the income.

While the California junior college relies less on student fees than its average counterpart in the nation, it depends more on local governments for finances than do most other community colleges. According to the United States Office of Education, in 1959-60 local governments throughout the country provided 50.2 per cent of the junior college revenue. By contrast, in the same year local governments in California provided 69 per cent of the total in California. The share for state governments was 33.8 per cent in the United States and 25.7 per cent in California.

The figures above represent the per cent of income from various sources. For comparative purposes, state contributions as a per cent of expenses for education rather than as a per cent of income must be considered, for in the *California Master Plan for Higher Education* recommendations are made on the basis of per cent expenses for education.

In California, according to the State Controller's Office, the 1959-60 contribution of the State to public junior colleges was 26.93 per cent of expenses for education in those colleges. This data from the Controller's Office was used to attempt to determine the relative accuracy of data collected by the U.S. Department of Health, Education and Welfare on California and the rest of the nation. In short, the State of California figures are considered more reliable because they are from official records of the State, while data from the Federal government are obtained from questionnaires.

In terms of total income and expenditures, there is a wide discrepancy between State and Federal data; however, the per cent of California state government contributions reported by both does not vary significantly. As noted earlier, California data show a state contribution of 26.93 per cent. Federal government data, by contrast, show a contribution of 27.62 per cent. The average state government contribution (as shown by Federal government data) to public junior colleges is 35.70 per cent of educational and general expenditures.

The state governments of Connecticut, Maine, New Hampshire, West Virginia, and Utah furnish all the money (other than tuition) for public junior colleges, while eight other states (New York, North Dakota, Florida, Georgia, Alabama, Oklahoma, Montana, Oregon, and Washington), provide over 50 per cent of junior college money spent for education. Fourteen states either had no public junior colleges or did not report them in the survey. Therefore, in 13 of the 36 states reporting sources of revenue, the state governments provided over 50 per cent of the needed funds.

The data present a paradox: California lags behind the other states in terms of state government support to junior colleges, which simultaneously, the State relies most heavily on the junior colleges to support higher education.

The question of local control is inextricably tied to the question of, "How much money shall the state contribute?" There is some doubt that the intent is for the State of California to finance junior colleges commensurate with the degree to which the junior colleges are supporting higher education (as compared with other states).

---

*Source material on finances include: U.S. Department of Health, Education, and Welfare, *Financial Statistics of Institutions of Higher Education, 1959-60,* Circular No. 744, 1964; Coordinating Council of Higher Education, Budget Report to the Legislature, 1965, No. 1016 February, 1965; California State Department of Education, Bureau of Educational Research, *Average Daily Attendance and Selected Financial Statistics of California School Districts 1959-60,* January, 1961; National Education Association, *Ranking of the States, 1965,* Research Report, 1965-R1; U.S. Department of Health, Education, and Welfare, *Digest of Educational Statistics, 1965;* U.S. Department of Health, Education, and Welfare, *College and University Facilities Survey,* 1965, Circular 773; Coordinating Council for Higher Education, *A Consideration of Issues Affecting California Junior Colleges,* No. 1018, April 1965.

The *Master Plan* called for 30 per cent state support in 1959-60. This was less than the average state contribution (35.70 per cent) nationally that year.

The *California Master Plan* calls for the State share to increase by one per cent yearly so that it will reach 45 per cent by 1970. An examination of the data on total expenditures of California junior colleges shows that, while state contributions have been increasing annually, the percentage increase yearly through 1963-64 was less than one per cent. In 1964-65 a 2.75 per cent increase was recorded and this brought the average increase during the period 1959-65 to approximately one per cent annually. The 1964-65 contribution of the state, however, (31.40 per cent of total expenditures), was still below that called for in the *Master Plan* (35 per cent).*

It is not possible to compare the rate of increase of state contributions in California to that of other states, for there are no data available to indicate whether other states are increasing their percentage of contributions.

Expenditures

The expenditures for educational and general purposes by public institutions of higher education in the United States in 1959-60 was reported to be $2.13 billion. California spent just under one-half billion dollars that year to support the state universities, state colleges, and the junior colleges.** Thus, California, with 8.8 per cent of the population of the United States and 12.2 per cent of the country's college students, spent approximately 18 per cent of the money that was spent for higher education. To put it simply, not only did Californians have a higher income level than other U.S. citizens, they spent a larger percentage of their income for higher education. The per capita expenditures for higher education in California ranked third ($49.17), topped only by Alaska ($52.28) and Colorado ($50.48). The average for the United States per capita spent for higher education was $24.95.

There is no current data indicating how much of this money is spent on junior colleges in the United States. It is only possible to make comparisons from the 1959-60 data regarding sources of income for junior colleges. In that year California's expenditure for public higher education was 18.5 per cent of the national total. Of this total, $184,839,000 was expended by public junior colleges in the United States for educational and general purposes. California made up for 51 per cent of the total. Since California had 49 per cent of the students in public junior colleges and spend 51 per cent of the money, it is obvious that more was spent per student in California than in the United States. In 1959-60 the U.S. Office of Education reported an estimated expenditure of $544 per full-time student equivalent in public junior colleges and the California State Department of Education reported an expenditure of $575.32 per student in average daily attendance for the same year.***

The one item in the operating budget that showed that California spends more per student than the national average was that for general instructional expenses. Within that category, payroll expenditures in the United States averaged 50.8 per cent of the total, and in California it was 57.3 per cent. The bulk of the remaining expenditures was divided between administrative costs and plant maintenance. The averages for California and the nation for administrative costs were 13.3 per cent and 14.7 per cent, respectively. Averages for plant maintenance and operation were 15.2 per cent in California and 14.9 per cent nationally. Thus, compared with the rest of the nation, expenditures in California more than kept pace with enrollment. One item that seems to account for the greater expense per student in California, is the instructional payroll. (See salaries section below.)

Plant Investment and Expenditures

California has a much higher ratio of students in public junior colleges than it has junior colleges facilities. How, then, does the plant value compare with that of the other states? The ratio here is almost the same. Keeping in mind that California has 18 per cent of the institutions and 44 per cent of the students, her junior college physical facilities are valued at 44.79 per cent of the United States total. However, when California plant liabilities are compared with those of the other states, the ratio is much higher with California assuming 75.9 per cent of all public junior college liabilities for plants. Plant fund expenditures for junior colleges in California in 1959-60 represented 60 per cent of the total in the United States, probably because junior college plants in California are larger, newer and more expensive than in the rest of the nation.

Considering that California enrolls a much greater percentage of junior college students in relation to the number of institutions, it is not surprising that plant expenditures and investments are higher than the United States average. Without a more comprehensive study of facilities comparing current plant value, investment, present enrollments, and projected enrollment for California and the nation, no real assessment of the adequacy of California facilities vis-a-vis the other states can be made. It seems, however, that the ratio of students to plant value can be used as a crude measure to determine the adequacy of California junior college facilities, and, in this respect, California is on a par with the rest of the nation.

---

*SOURCE: Annual Report of Financial Transactions Concerning School Districts of California, State Controller, fiscal years 1959-60 through 1964-65. Because of the minute contributions of the state to vocational education in junior colleges this was not compiled. For in 1964-65 the state contribution was .03 per cent of total expenditures.

**SOURCE: U.S. Department of Health, Education and Welfare, Office of Education, Financial Statistics of Institutions of Higher Education, 1959-60, Circular 744, 1964.

***While the U.S. Office of Education and the California State Department of Education use different terms in reporting expense per student, they provide relatively comparable data.

*Faculty**

Salaries

The National Education Association reports that the median salary earned by the public junior college instructor in the United States in 1965-66 was $8,361. There is no breakdown given by states and the latest data compiled by the California State Department of Education is for 1964-65. Even using the data from an earlier year (1964-65), California salaries are considerably higher than the present national median—$9,745—compared to $8,361. The National Education Association study also provides a regional breakdown, and the far west, dominated by California, has a median salary of $9,879 for 1965-66. In the 1963-64 school year, the median salary for junior college instructors in public junior colleges in the United States was $7,828; in California, it was $9,255. Salaries increased five per cent during the period 1963-66 for junior college instructors in the United States. In California during the period 1962-65, they increased 11 per cent. It appears that besides paying considerably higher salaries, California leads the nation in salary increment rates by a two to one ratio.

Preparation of Junior College Instructors

Since in California junior college salaries are determined to some extent by university degrees held and the number of graduate units completed, it is legitimate to wonder if this accounts in part for the higher salaries. In other words, have junior college instructors in California completed more graduate units, and do they hold higher degrees, on the average, than do junior college instructors in the nation at large? Is the California instructor better prepared?

In all of the public junior colleges nationally, slightly more than half of the instructors held Master's degrees in 1964; 20.8 per cent held the Master's degree plus one additional year; and approximately the same percentage, 21.5 per cent, did not have a Master's degree. Only 6.6 per cent held Doctor's degrees. The national percentages correspond closely with percentages for California. The Coordinating Council for Higher Education reports that in 1961-62, 18 per cent of the California junior college instructors held Bachelor's degrees, 75 per cent had Master's degrees, and 7 per cent had earned Doctor's degrees. Of the 1300 instructors hired in the fall of 1964, 17 per cent had Bachelor's degrees, 78 per cent held Master's degrees and 5 per cent held Doctor's degrees. This would seem to indicate that the California junior college instructor is only slightly better prepared than instructors in other states. Only a small percentage of the higher salaries in California, therefore, can be attributed to more extensive education for instructors.

Class Size and Staff Ratios

The ratio of professional staff to numbers of students is often used as a crude measure of class size. This assessment rate should be used with caution, however, for it tends to balance out the extreme cases and mitigate their significance. The National Education Association reports that in 422 public junior colleges in 1964-65, there were 18,279 full time instructors and 372,647 full-time students—a ratio of 30:3. The Coordinating Council for Higher Education reports that for the same period the ratio in California was 21:3. (It rose from 19.7 in 1958.) Thus, even with burgeoning enrollments, California junior colleges seem to be increasing faculty size at a rate which keeps the student-faculty ratio on a par with that of the nation.

Equality of Provision

California has established a system of aid to local junior colleges that gives some relief to the small districts, which usually have a smaller tax base from which to draw. But inequalities still exist and it is difficult to make comparisons with other states because of the dearth of adequate data. There is some information concerning the variations in salary schedules between the small and large districts in California and the nation, but there is a problem involved in comparing these data: California salaries are given as medians and the United States salaries as means. Valid comparisons can be made, however, by taking the range of each as it varies from the smaller to the larger schools by using enrollment to evaluate size. For the United States, the average salary in the junior college with fewer than 500 students was $6,637 in 1963-64, and in schools with over 2500, $7,910. This represents an increase of 19 per cent. In California, the range was from $7,550 in the small school to $9,654 in the large ones—an increase of 28 per cent.

Although the data presented here are fragmentary, they do offer support for advocates of uniform salary standards for the junior colleges. In a state where the junior colleges assume more of the responsibilities in the system of higher education than the national average, one could argue that expenditures and salaries should be more uniform than in the rest of the nation, not less. Before

---

*Sources used on faculties include: U.S. Department of Health, Education, and Welfare, *Higher Education. Salaries, 1963-64*, Circular No. 759, 1965; National Education Association, *Salaries in Higher Education*, 1965-66, Research Report 1966-R2, February, 1966; California State Department of Education, *Salary Schedules for Teaching Personnel in California Public Junior Colleges*—1965-66; also this publication for the years 1963-64, 1964-65; National Education Association, *Teacher Supply and Demand in Universities, Colleges, and Junior Colleges*, 1963-64, 1964-65; Coordinating Council for Higher Education, *Faculty Recruitment in California* Higher Education, Report No. 1017, 1965.

conclusions are drawn, however, more data is needed on the differences between large and small districts in the nation and in California in expenditures, salaries, capital improvements, degree of state support, etc.

Recapitulation

1. The junior college in California has helped make it possible for California to offer a free college education to more of its residents. Moreover, it has contributed to the general excellence in educational standards maintained in the State.

2. While California depends heavily on the junior colleges, it has left a greater share of the financing to local districts than is generally the case in the other states. And, with a smaller commitment to tuition-free higher education, other states have provided a higher percentage of state government support to their public junior colleges than has California.

3. As might be expected, California spends more, both in real and relative terms, for higher education than do other states. California spends twice the national average per capita and, even though it accommodates more students, spends more per student than the average for the nation.

4. Junior college instructors in California not only earn a considerably higher salary than their colleagues in other states, their salaries seem to be increasing at twice the rate of those in other states. Furthermore, increased salaries in California cannot be attributed to more preparation on the part of the instructors, for California junior college instructors are only slightly better prepared than the average for the nation.

5. With a rapidly expanding student population and with much larger student bodies, California has resisted a national tendency to increase student-faculty ratios. California's ratio of students to faculty approximates the national average.

6. The foregoing data seem to indicate that, in California, maintaining high faculty salaries is of prime importance. However, there are inequities, for it is generally true that the larger junior colleges pay higher salaries than the smaller ones. This is not only true in California, though there is an ever greater variance between salaries in the small and large schools here than in the rest of the nation.

Chapter 2

AN HISTORICAL OVERVIEW OF THE FACTORS RELATED TO FINANCING JUNIOR COLLEGES IN CALIFORNIA

The markings of the past are indelibly inscribed in the shaping of current educational policy. Thus, an historical overview of the factors related to financing two-year colleges in California is both pertinent and important.

The first law calling for the establishment of the junior college in California was passed by the state legislature in 1907. It stipulated that:[1]

> The board of trustees of any city, district, union, joint union of county high school may prescribe post-graduate courses of study for the graduates of such high school, or other high schools, which courses of study shall approximate the studies prescribed in the first two years of university courses. The board of trustees of any city, district, union, joint union, or county high school wherein the post-graduate courses of study are taught may charge tuition for pupils living without the boundaries of the district wherein such courses are taught.

The law allowed local school boards to establish junior colleges as post-graduate high schools, and the curricula was to approximate the first two years of coursework at the university so that students could transfer to the four-year colleges. Financial support of the junior college differed from support of the state university, however, for aid to junior colleges came primarily from the local and county governments, while universities could count on state grants. Moreover, the law also declared that the board of trustees "*may* charge tuition for pupils living without the boundaries of the district wherein such courses are taught."[2] The Junior College Act of 1907, therefore, placed the primary responsibility for financial support not on the state, but upon the local governments.

The first California junior college was established in Fresno three years later. Fresno's junior college support came almost exclusively from local taxation with a minuscule supplement from county taxes. While the college did charge non-resident fees of $4 per month, this added income was of only minor value.[3] Thus, from its inception, the junior college had to vie with the secondary schools for state support.

As the junior college continued to develop, weaknesses in the 1907 law became evident. The most pressing of these weaknesses was the lack of adequate financial support from the state. To correct the situation, the California legislature, in 1909, enacted a bill providing more state funds for high schools desiring to establish a junior college. The Governor, however, vetoed the measure on economic grounds[4]—he feared public censure because the measure called for what seemed to be a major educational expenditure. In consequence, the first junior college was left with insufficient funds and by 1916, the problem of state financing became acute—something had to be done.

In the following year, therefore, the state legislature passed the Ballard Act, authorizing increased financial support for the junior college. This act "authorized state and county support on the same basis as that for high schools, and restricted organization of junior college courses to districts with an assessed valuation of $3,000,000."[5] But, though the act was a step in the right direction, it failed to provide a substantial fiscal increase for supporting the two-year college. It was clear that if the junior college was to survive as an educational institution in California, additional legislation was necessary, for while the act provided some financial assistance for the two-year college, it clearly identified it with the high schools rather than with institutions of higher education. The effect of equating the junior colleges with the high schools may be seen in a doctoral dissertation by F. W. Thomas. He reported:[6]

> After the early wave of enthusiasm which was responsible for the rapid spread of these organizations, there was a period in which little headway was made. High school graduates were not inclined to regard them as "real colleges," and many preferred to wait in the hope of attending a larger institution rather than become identified with the unappreciated junior college which seemed to them a mere appendage of the high school, even lacking the high school life and attractiveness.

Two years later, the State Senate called for an investigation of the financial problems of the junior college, and Senator H. C. Jones, an expert in financial administration, was appointed chairman of the committee.[7] The report of this committee, written by Ellwood P. Cubberley, Dean of the School of Education at Stanford University, declared:[8]

> By developing the junior colleges, as is recommended in this report, a large and expensive and largely unsatisfactory development in buildings and teaching staff at Berkeley can be avoided, and Lower Division education in this state can at the same time be carried to different parts of the state and to more young people by the development of a number of smaller and less expensive units. This committee therefore recommends that the Legislature, at the coming session, decide this question of state educational policy, that the lines of future development may be determined and educational and financial waste be avoided.

On the Committee's recommendation, the legislature modified the Ballard Act and increased State support in establishing and maintaining junior colleges, and the District Law of 1921 provided more State financial support for the two-year college than it had ever received before. There were three core provisions:[9]

1. It provided for junior college districts of three types:
    1) district, coterminous with a high school district,
    2) union, composed of two or more contiguous high school districts, and
    3) county, composed of all territory in a county not already in a high school district.
2. It stipulated that no district could be organized until it had an assessed valuation* of $10,000,000 and an average daily high school attendance of 400 during the previous year, and
3. State aid was provided to the extent of $2000 per year for each junior college, and $100 per student in average daily attendance the previous year.

In essence, the 1921 legislation unequivocally identified the junior college with California's system of secondary education—a position which the community college would be compelled to hold until the enactment of the *Master Plan for Higher Education in California* nearly 40 years later. Though the law granted a small increase in State support, it took away from the two-year college any prestige that it might have as a member of California's system of higher education, for though it was clear that the Junior College was here to stay, its position in the structure of secondary education precluded enhanced prestige.

Moreover, despite its relatively generous financial provisions, the growing costs and increasing enrollments soon brought about increased public demands for more State support. The 1921 law just could not fulfill the need. As a result of the growing financial requirements of the two-year college, the state legislature commissioned numerous studies. Researchers were assigned the task of estimating and recommending what state support should be.

---

*A glossary for all technical terms may be found in Appendix A.

Koos conducted one of the first studies of costs. His Commonwealth Fund investigation evaluated the costs of 15 junior colleges during the fiscal year 1921-1922. Koos' committee found that the cost for "teaching activities" expended per student varied from $83 to $224, with a median of $117.[10]

Six years later, in 1928, Koos conducted another study of costs in 10 California junior colleges.* This study considered enrollment, teaching costs, miscellaneous costs and total costs. In summary, it indicated an average cost of $331 per ADA. Table 1 summarizes his findings.[11]

KOOS: COSTS PER STUDENT IN TEN CALIFORNIA JUNIOR COLLEGES OF THREE TYPES (1927-1928)

Table 1

	Teaching Costs	Other Costs	Total Costs
Separate junior colleges (3)			
Total Enrollment (1203)			
MEAN	183	130	313
District junior colleges in connection with high schools (3)			
Total Enrollment (1046)			
MEAN	188	83	271
Junior college departments of high schools (4)			
Total Enrollment (335)			
MEAN	253	137	290

*It might be well to note here the extreme difference between teaching costs reported by separate junior collges and those that were a part of high school. It has been only recently that any data has been available on expenditures of junior colleges that were a part of high school or unified districts.

In addition, Koos secured information related to the teaching costs per ADA in 30 selected educational institutions in California; he also amassed data for selected community colleges in the state. The results of each of the studies were quite similar: they revealed variations in teaching costs from $102 to $751. Data on total costs showed a variance of $150 per ADA to more than $1100.[12]

Another study was conducted at the same time by Eells, who investigated one of the most critical questions of the 1920's: the per capita cost per student in average daily attendance at California district junior colleges. Table 2 summarizes his findings.[13]

EELLS: PER CAPITA COST PER STUDENT IN AVERAGE DAILY ATTENDANCE IN CALIFORNIA DISTRICT JUNIOR COLLEGES (1922-23 to 1928-29)

Table 2

Year	Number of Colleges	Cost per Student in Average Daily Attendance
1922-23	7	$251
1923-24	7	$342
1924-25	8	$321
1925-26	8	$321
1926-27	10	$314
1927-28	13	$284
1928-29	13	$285

According to Eells' study, the national average of cost per student in average daily attendance was $191,[14] and Texas, which was known for its system of municipal colleges, had a state average of only $161 with a high at San Angelo of $238 and a low at Houston of $69.

In view of these figures, it is clear that despite the allegations lodged against the state for inadequate financial support, the California junior colleges, in the period 1910-1929, received greater support for both teaching and non-teaching activities than did the junior colleges of other states. In the Atchison Survey (1929), Obrien found that in Kansas and Missouri, cost per student in average daily attendance varied from $205 to $230—a very high figure by 1929 standards.[15] The Reeves study conducted in conjunction with an AAJC project revealed an average of $268 per ADA for the two highest Middlewest junior colleges.[16] At the same time, the Johnson study, conducted at Indiana University, showed a mean current expenditure of $200 per ADA at 30 selected Middlewest junior colleges.[17]

Eells observed the following about the state of California by 1929:[18]

> With the most reliable data available, but the limitations already noted, the best evidence seems to be that in the larger district type of California junior college, with attendance of 500 students or more, the cost per student in average daily attendance is almost $300, or something over $200 for each student in full-time enrollment. In the smaller high school type, with prevailing enrollments of 100 or less, the corresponding figures seem to be about $100 higher.

At the conclusion of his 1928-29 study, Koos recommended that an effective junior college program requires approximately $200 per ADA expenditure.[19] A similar study, conducted by Kibby, recommended a minimum of $300.[20] The Reeves study, cited earlier, used a different measure in order to arrive at a slightly different amount, but the figures presented were in terms of student enrollment rather than ADA.[21]

> An effective junior college of 250 or more students should expect to have a stated cost per student of approximately $340, which figure represents the approximate cost per student at the junior college level of an effective four-year college of 500 students. An effective junior college of 200 students should expect to have a cost of at least $375, while an effective junior college of only 150 students will cost $400.

In comparison with the elementary and secondary levels of education in California, the junior college required a significantly higher ADA expenditure. For example, the expenditure per high school student in average daily attendance in California, in 1928-29 was $189, while that for the elementary schools was $99.[22] According to Eells:[23]

> College instruction on the average calls for better-prepared and better-paid instructors than in high school, for smaller classes, and for more expensive equipment. It should be expected that the cost per student in junior college should be considerably higher. Explanations should be in order if junior colleges are found with reliable per capita costs lower than high school costs in the same state or locality.

The results of the 1920 studies clearly indicated the necessity for increased State and local support if the junior college were to be able to continue to fulfill its roles as a community college. The need for the junior college to be a unique and independent institution was stressed as one of the most significant outcomes of all the studies conducted and, according to Eby of Texas,[24]

> There is a widely spread misconception in regard to the cost of a junior college. Many think the junior college years can be added to the high school with little or no additional expense. It is a somewhat general belief, and some high educational authorities have unfortunately lent credence to the error, that such institutions can actually be made self-supporting by charging a tuition fee. Now nothing is farther from the truth, unless the tuition is made extremely high, in which case the institution will probably lose its character as a democratic public institution.

The junior college also received a large part of its total budget from local taxation as well as from county or district funds. A 1928-29 study showed that junior college districts in California had a tax rate which varied from 7 cents to 48 cents on the $100, with an average of 15 cents.[25] In 1929, with recommendations for increased state support before the legislature, the question of charging tuition was debated. Koos was adamantly opposed to tuition fees and he said:[26]

> To aid in the support of junior colleges in the proportion only that lower schools are aided could not be regarded as a generous policy of encouragement, especially if it is borne in mind that the state is now paying most of the cost of providing education on this level to students fortunate enough to be able to attend the state university. Logic points toward providing junior college education which is essentially secondary in character, free of tuition to the student.

In contrast, the Brothers study strongly urged tuition fees not only as a source of funds but as a stimulant to student motivation.[27]

> Many people, including those who are careful students of educational finance, share the opinion that where the student has a monetary investment he is going to attack the problem of education more seriously than he does when it is handed to him for the asking.

By 1929, the junior college received 20 per cent of its total support from the State and the remaining 80 per cent from local and county sources.[28] And, after all of the recommendations were submitted to the legislature, the most significant question emerged: what was the appropriate percentage of State support?

Administrators of the State's junior colleges advocated total support in order to increase stability and guarantee greater uniformity among the two-year schools.[29] Zook's study called for 75 per cent state support, while Eby recommended 33 per cent.[30] Cubberly's Stanford study suggested 40 per cent.[31] Leading newspapers, however, criticized demands for State support. They pointed to the fact that most states made no allocation to junior colleges and that the cost to the California taxpayer would be exhorbitant if the state assumed a greater percentage of the total junior college fiscal expenditures.[32]

The new legislation of 1929 was specifically designed to appeal to the legislators who were economy-minded—it was obviously more the product of political expedience than one of educational need.

The following were the financial aspects of the 1929 legislation as reported by Eells:[33]

1. a district junior college cannot be organized unless the proposed district has an assessed valuation of at least $25,000,000, and an average daily attendance in its high schools during the previous year of 1000; it cannot continue its existence after the second year of its organization unless its average daily attendance exceeds 200.

2. the 1919 and 1921 law provided for an election to determine the organization of a junior college district, only after a petition for it signed by 500 voters had been approved by the State Board of Education. The 1929 law required that this petition have the approval not only of the State Board of Education, but also of the State Department of Finance.

3. in terms of state support the only change was as follows:
   - In 1921 and 1927 support included, from state: (from funds from federal oil and mineral lands) $2000 per year, and $100 per student in average daily attendance if similar amount is raised by local taxation. Also, support comes from: (1) net cost from county of residence for non-resident students and (2) local district tax.
   - In 1929, if federal funds are insufficient, a deficit up to $30 per student is to be made up from the state treasury and, in addition to net cost, an additional $65 per student is to be used for buildings and equipment.

The political overtones of the legislation were obvious.

Politicians knew that it would be extremely easy to "throttle the organization of any more district junior colleges, regardless of local need or demand for them,"[34] and by 1931, there were renewed demands before the legislature for sweeping changes in the support of public junior colleges. However, the hardships brought on by Depression and the de-emphasis in focus during World War II, brought few significant changes in the basic principles governing State support of junior colleges.

During the Depression and War years, the State legislature continued to support the junior college in a ratio relatively proportionate to the declining and later rising ability of the tax paying public. Yet, simultaneously, California continued, even through the difficult years of the early 1930's, to provide greater financial support for the junior college than did any other state. In the early 1940's, when the War effort demanded greater numbers and more specialized personnel, especially in technical areas, California again increased state support for the community college.[35] By the end of the War, more than 25 per cent of two-year college support came from state resources.

During the 1930's and the War Years, the community college expanded its technical programs to meet the growing needs of the state. Included in its expansion were trade-technical colleges meeting what most people considered to be the needs of terminal students in California.

In 1947, the Commission on Higher Education appointed by President Truman, indicated that nearly half of the nation's population could benefit from a junior college education.[36] But, pressures for increased financial support were again being placed upon the California state legislature. The provisions of the G.I. Bill and other Federal incentives encouraged more people to enter institutions of higher learning—especially the junior college—than ever before. There was a vital need for more support and there was the growing need for an increase in local support. To answer the need, in 1947, a state liaison committee of the Regents of the University of California and the State Department of Education was appointed to survey California's requirements in the area of higher education.

The report presented by the committee to the state legislature indicated several needs. Among these was the following:[37]

- California district junior colleges expended a total of $11,208,209.80 in 1946-1947 for the education of 53,747 students in average daily attendance. Teachers' salaries and other expenses of instruction accounted for three-fourths of the amount. The cost per student in average daily attendance was $208.54 with a range from a high of $522.95 to a low of $128.09. During the same year, the total expenditure for junior colleges maintained by high school districts was $4,941,642.31. The average daily attendance in these schools was 20,432; the average annual cost was $241.37 per student. The major items of expense, which used 73 per cent of the funds, were teachers' salaries and other expenses of instruction. The costs per student in non-district junior colleges ranged from $165.45 to $429.93. The non-district junior colleges were smaller on the average than the district junior colleges and the cost was higher.

The joint committee found that approximately 47 per cent of the cost for the junior colleges came from local districts and the remaining 53 per cent came from both federal and state sources.[38]

The 1947 *Survey* recommended increased financial support to meet inflationary trends as well as increased state support, on a proportional basis, for the growing functions of the two-year college. However, at the same time, the *Survey* espoused continued and increased local support of the two-year college. It also called for a greater degree of stability in the proportions of state and local contributions to the community college.[39]

The 1947 changes were not challenged until the end of the Korean War when again, public demand renewed the pressures upon the junior colleges and, as the pressures for more education and a greater diversity of educational programs began to mount, the two-year college turned to the State for more financial support. The heightened demands combined with the fact that there were more students enrolled in the junior colleges resulted in the creation of another committee to study California's higher education. In 1955, therefore, another liaison committee of the Regents of the University of California and the State Board of Education was appointed. The Committee's goal? To study the need for greater support of the various levels of higher education in California. The results of that study constitute the *Restudy of the Needs of California in Higher Education.*

The following is a summary of the major findings of this study as related to the financing of California's junior colleges.[40]

1. state support for the public junior colleges increased to 33 per cent of the total expenditure.

2. the report noted that the state contributed $13,500,880 for the junior colleges in 1953-1954 and recommended an increased amount for meeting and growing functions of the community college.

The 1955 study noted that State support had been greatly expanded since 1947 and, with the exception of one other state, California had experienced the highest percentage of increase. As of 1954, the actual amount of contributions by the various Federal, state and local sources to the junior colleges were as follows:[41]

Federal, including activities under contract with Federal agencies, except for contracts with the Atomic Energy Commission: $1,265,319.

State, total state expenditures: $13,500,880.

County, total county expenditures: $7,529,259.

District, total district expenditures: $17,952,097.

All other income: $624,241.

Total, all sources: $40,871,616.

The *Restudy* (1955) paved the way for the recognition of the junior college as a partner in the system of higher education. It did not, however, clearly identify the community college as holding that position. At the same time (1955-1960), many changes were under way which gave impetus to the major transition that was to take place under the *Master Plan* (1960). First, and foremost, throughout the state of California many of the junior colleges began to drop the name junior—a title they regarded as a brand of inferior status. Secondly, in order to gain more status, some of the junior colleges, led by the Los Angeles City Schools, began to confer professorial rank on their faculties.

It was clear from the 1955 study that the amount and percentage of state contributions had increased substantially more than was necessary to account for the declining purchase power of the dollar. At the same time, it was recommended that the state increase its percentage and total amount expended for education in the public junior college. It was suggested, also, that the state expenditure for the community college should not exceed 35 per cent of the total cost. *In fact,* however, during the five-year period, 1955-1960, the total state expenditure never exceeded 30 per cent of the total cost.[42]

The scientific achievements internationally in 1957 and 1958 stimulated new demands for increased junior college services as well as augmented enrollments. By 1959, it was evident that a larger percentage of high school graduates and a larger number of California residents in general planned to enroll in higher education—a number larger than ever in the history of California education. On the basis of the qualifications of the new student population, it was obvious that the junior college would have to bear the brunt of the new burden. The community college once again turned to the state for increased financial support. At the same time, the state colleges and universities were demanding increased fiscal assistance. Again, a liaison committee of the State Board of Education and the Regents of the University of California was appointed to survey higher education in California and determine future educational needs. The results of the study were presented to the legislature as the *Master Plan for Higher Education in California.*

For the first time in the history of California's junior colleges, the community college was recognized as a collegiate institution and was distinct from the secondary school system. Finally considered on the same level as state colleges and universities, the two-year college received new prestige and status—it was now deemed an integral part of higher, rather than secondary, education—something that was necessary if it were to gradually assume a larger role in educating college freshmen and sophomores.

The *Master Plan for Higher Education in California* announced that its academic requirements would be designed to divert to the junior colleges nearly 50,000 lower division students from the 1975 projections for the University of California and the state colleges.[43] The results of this plan clearly necessitated an increased state expenditure for the support of the two-year colleges. In order to meet this need, the committee recommended the following increments in state fiscal expenditures:[44]

1. Procedures be devised to assure that all funds allocated to and for junior colleges for current expense or for capital outlay by the state be expended only for junior college purposes, and further that the law be clarified to require that all funds received from county junior college tuition funds for use of buildings and equipment be expended solely for junior college purposes.
2. Procedures and methods be devised and adopted by the legislature that will increase the proportion of total current support paid to the junior colleges from the State School Fund (augmented for this purpose) from the approximately 30 per cent now in effect to approximately 45 per cent, to be achieved not later than 1975.
3. A continuing program be devised and adopted by the legislature that would distribute construction funds, either through grants or loans or both, for capital outlay purposes annually to junior colleges as determined by growth, this program being for the purpose of assisting junior colleges to meet the facility needs of projected enrollments and of the students to be diverted to the junior colleges.

In brief, the *Master Plan for Higher Education in California* provided for more state financial support to the junior college than had any other legislation. The proportion and percentage of increase has enabled junior college districts to expand their programs and to provide further for the growing needs of their communities. But, because only a very small part of the program has been effected the total impact of the *Master Plan* cannot be accurately evaluated. It remains, for the continued modifications of the state support program to adequately insure the fulfillment of the goals of the *Master Plan.*

Footnotes

[1] Chapter 69, Statutes 1907, p. 88.

[2] *Ibid.*

[3] F. Liddike, *School Review,* 10:410. See also Walter Eells. *The Junior College,* Boston, 1931, p. 94.

[4] Eells, *Ibid,* p. 96.

[5] W. C. Wood. *Fifth Annual Meeting of the American Association of Junior Colleges,* 1924, pp. 63-64. See also Section 1750b of the *Political Code.*

[6] F. W. Thomas. *A Study of the Functions of the Public Junior College and the Extent of Their Realization in California,* Stanford, 1926, p. 77.

[7] Eells, *op. cit.,* p. 100.

[8] Ellwood P. Cubberly. *Report of the Special Legislative Committee on Education,* Sacramento, 1920, p. 78.

[9] Act 1477, Deering. See also Eells, *op. cit.,* p. 101.

[10] L. V. Koos. *The Junior College Movement,* New York, 1922, pp. 375-401.

[11] L. V. Koos and F. J. Weersing. *Secondary Education in California: Report of a Preliminary Survey.* Sacramento, 1929, pp. 116-117.

[12] *Ibid.*

[13] Eells, *op. cit.,* p. 514.

[14] *Ibid.*

[15] F. P. Obrien. "Conditions Which Justify Establishing a Junior College." In *Proceedings of the American Association of Junior Colleges Eighth Annual Meeting,* Chicago, Illinois, 1928, pp. 76-77.

[16] F. W. Reeves. "The Cost of Education in an Effective Junior College." In *Proceedings of the Seventh Annual Meeting of the American Association of Junior Colleges,* Mississippi, 1926, p. 58.

[17] E. A. Johnson. *Junior College Cost Expenditure.* Unpublished Doctoral Dissertation, Indiana University, 1920.

[18] Eells, *op. cit.,* pp. 506-545.

[19] Koos. *op. cit.,* p. 516.

[20] I. W. Kibby. "Can Siskiyou County Afford a Junior College?" In *Junior College Survey of Siskiyou County,* Yreka, California, July, 1928, p. 56.

[21] Reeves, *op. cit.,* p. 58.

[22] Eells, *op. cit.,* p. 518.

[23] *Ibid.*

[24] F. Eby. "Shall We Have a System of Public Junior Colleges in Texas?" In *Texas Outlook.* 11:23, January, 1927.

[25] Eells, *op. cit.,* p. 523.

[26] L. V. Koos. *Junior College,* p. 624.

[27] E. Q. Brothers. "A Plan for State Support of Public Junior Colleges." In *Proceedings of the Ninth Annual Meeting of the American Association of Junior Colleges,* Texas, 1928, p. 123.

[28] Eells, *op. cit.,* p. 532.

[29] *Ibid.* pp. 538-539.

[30] *Ibid.*

[31] *Ibid.*

[32] P. R. Mort. "State Participation in the Financing of Junior Colleges." *Teachers' College Record,* 30:751, May, 1929. See also Eells, *Ibid.* p. 542.

[33] Eells, *op. cit.,* pp. 110-111.

[34] *Ibid.,* p. 114.

[35] Leland P. Medsker. *The Junior College: Progress and Prospect,* New York, 1960, pp. 9-15.

[36] *Ibid.,* p. 9.

[37] California State Legislature. *A Report of a Survey of the Needs of California in Higher Education,* Sacramento, 1948, pp. 120-121.

[38] *Ibid.,* pp. 121-122.

[39] *Ibid.*

[40] California State Legislature. *A Restudy of the Needs of California in Higher Education,* Sacramento, 1955, p. 101.

[41] *Ibid.,* p. 99.

[42] *Ibid.* See also California State Legislature. *A Master Plan for Higher Education in California,* Sacramento, 1960, p. 13.

[43] *Master Plan for Higher Education in California,* p. 13.

[44] *Ibid.,* pp. 13-14.

Chapter 3

GUIDELINES

In order to assess the California junior college support program, it is necessary to establish a set of criteria as the basis for analysis. As a result, the Guidelines presented in this section were devised. They are the products of serious reflection on the philosophy of education, scrupulous analysis of principles of educational administration and an understanding of theory and practice in the financing of schools. Implementation of the Guidelines is deemed not only necessary but functional, for they were developed after thoughtful consideration of what American education is and what it ought to be. In short, we deem these Guidelines both theoretically sound and practical.

GUIDELINE I: STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH RECOGNIZES THE JOINT RESPONSIBILITY OF STATE AND LOCAL GOVERNMENTS.

As mentioned previously, under the Tenth Amendment to the Constitution, the responsibility for education rests with the states. Some of the states have delegated a great portion of this responsibility to local districts, while others have retained full control over education. In both cases, however, the states share with local governments the task of providing resources for educating residents. Furthermore, in order to firmly establish the notion of joint responsibility for education, provisions for joint financing are usually embodied in state constitutions, legislative mandates and court decisions. But, this general Guideline of joint responsibility is largely inoperative. How do we determine the relative functions of state and local governments? And, does the system of fund distribution and the relative functions delegated to each governmental unit help to maintain the integrity and responsibility of the local school government which is usually more keenly aware of local needs and requirements; and does it adequately provide the state government with the authority to insure that minimum standards are upheld throughout the state? The question as to what should be the state's share of the costs of an educational program is also unanswered. There are, however, certain principles which evolve from the literature of School Finance which seem to establish procedures for considering the problem.

GUIDELINE IA: THE SYSTEM OF ALLOCATION SHOULD INSURE THAT RESOURCES ARE AVAILABLE FOR SCHOOL DISTRICTS TO MAINTAIN A MINIMUM ADEQUATE PROGRAM WITH A REASONABLE LOCAL EFFORT.

Equality of opportunity is maintained only where the state's support program allocates enough funds to provide a minimum educational program or insures that a minimum program will be provided at a level of effort easily attained by all school districts. The problem lies in determining the answers to several questions: What is meant by a minimum educational program? Who is to determine the minimum educational program? How should such determination be made? Ideally, one can assume that in our kind of society state legislatures will make this decision. Presumably, too, legislators will consult with their constituents about the kinds of values they place upon educational services and the nature of the services they deem essential. One would hope that residents would consider the nature of the public benefits that accrue from education and which are essential to the state as a total entity and that this information would bear heavily on their decision.

Moreover, we would expect that professional educators would be called upon to describe a minimum educational program as they see it. What are the instructional goals to be accomplished? What are the behavioral objectives or changes in students that we expect to accomplish? What is the minimum instructional cost to provide goal "x" of instructional program "y"? What is the minimum teacher salary required to attract personnel capable of handling the designated instructional program and achieving the desired educational goals? Too much money! What could be accomplished in terms of the achievement of these goals with a teacher whose salary is $1,000 less than that indicated? And so, in its ideal form the give-and-take would continue. On one side, there is a group of professional educators who are aware of the educational goals which they feel are necessary as a minimum program for students. These educators possess a knowledge of how much each instructional component contributes to the achievement of those goals and what effect incremental changes in each of the instructional components would have on the achievement of desired educational outcomes. On the other side, there are capable legislators who are cognizant of the contribution that education makes to a free, healthy and economically productive society. They are also aware of the desires of their constituents. At each stage of the discussion, the recommendations of the educators are tried on the citizens of the state to ascertain the quality and quantity of educational outcomes desired by the people as a minimum educational offering—and this is the people's decision as monitored by their legislators.

Finally, the legislature, meeting as a body, determines the defined minimum educational program for the state by the allocations it provides for education and the statutes governing the operation of educational institutions. While there might be great disparities in different parts of a state over how a minimum program should be defined, the legislation finally passed may be considered to reflect the common core of educational values or expectations throughout the state and is, therefore, a minimum program.*

Hypothetically, let us accept the premise that the system has been working in the manner described above. While it is perhaps not possible to get explicit statements of state-mandated desired educational outcomes for its junior colleges, it is possible to examine the statutes of a state and infer from them certain aspects of the mandated minimum program.

It is possible to infer the minimum costs of the "instruction" budget category if the state has established a minimum salary and if there is a prescribed maximum student-teacher ratio. Where the legislature has established minimum standards for the maintenance of public buildings in terms of health and public safety features, it should be possible to infer budget costs for the "maintenance" and "operation" categories. Where the legislature or other governmental agency requires certain reporting forms to be prepared, these administrative costs as well as minimum reasonable costs for other required activities may be considered a part of the minimum adequate expenditure for the "administration" budget category. In the same way, it would be possible to examine the statutes of any state in a thorough and systematic manner to determine the implicit minimum educational program mandated by the legislature of that state. Having done this, the state support program should be sufficient in magnitude to provide funds to maintain the legislated minimum program. Unfortunately, there has been no systematic attempt to place the components of the minimum educational program in quantifiable terms—it is only infrequently that the minimum educational program is put together in a systematic, intelligible form. Most frequently, the set of state mandates regarding education represent a patch work of political compromises. To put the matter more clearly, the level of the state support program should be realistic—it should pay adequately for what the state considers to be a minimum program.

---

*We are not so naive as to believe that what we have constructed above is actually a part of the so-called "real world." On the contrary, it is what could be. We must, however, take this opportunity to point out that it is unfortunate that we professionals in education have not yet attained the degree of competence required to cope with our professional obligations as educators and that it is equally unfortunate that to some extent legislatures do not function in the way in which they were intended.

With respect to what constitutes local effort beyond the reasonable level, the answer is ambiguous. For, what is a reasonable effort is a relative question. It would seem, however, that a school district should be able to provide the local share of the minimum program without being forced to expand more than most other districts throughout the state and without unduly jeopardizing its ability to tax itself to go beyond the minimum.

GUIDELINE IB: THE SYSTEM OF ALLOCATION SHOULD BE ONE WHICH PROVIDES INCENTIVES TO SCHOOL DISTRICTS TO GO BEYOND THE MINIMUM.

Closely associated with the concept of minimum program there is another guideline that might be postulated: the state support program, while attempting to make it equally easy for districts to achieve a minimum program, should also provide incentive for school districts to offer programs and educational opportunities which go beyond the required minimum. This plea for financial incentives does not imply that districts will be encouraged to spend more funds and thus "squander money"—indeed, it will be pointed out in a later section (Guideline V) that districts should be held accountable for funds received from other governmental units (from their own taxpaying electorate, for example) in terms of the educational outcomes achieved from given level of financial input.

In the continuous process of refining fiscal support for junior colleges, the joint responsibility provisions between state and local governments should be clearly and unequivocally identified: the state should outline the basic minimum foundation program for which it will provide adequate financial support; and state assistance to all districts should provide tax leeways for the exercise of local financial initiative in providing educational resources beyond the minimum.

GUIDELINE II: STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH WILL ASSIST IN THE PROVISION OF EQUAL EDUCATIONAL OPPORTUNITIES THROUGHOUT THE JUNIOR COLLEGES OF THE STATE.

Equal educational opportunity for all individuals interested in pursuing higher education is the very essence of a free nation, for it is only when all of its citizens are well-educated that a democratic society can endure. But the notion of universal education requires a strong and vociferous commitment to a system of free public schools so that each person may develop himself to his fullest potential. In short, there must be equal educational opportunity for everyone regardless of the size, geographic location or wealth of the school district in which he resides. Moreover, commitment to equal educational opportunity is especially important in this, the second half of the 20th century, when an individual's entire life is molded by his education, for his occupation, his economic success and his social mobility are all factors dependent on his educational background.

But there is more to Guideline II than mere generalities. We believe that three elements compose the guideline and these three factors are the means through which the state can actually achieve the goal of providing equality of educational opportunity throughout the junior college system. First and foremost, equality of educational opportunity can be achieved by establishing school districts of relatively equal access to local resources and having relatively comparable educational needs requirements. Secondly, equality of educational opportunity can be achieved by equalizing fiscal ability of school districts. And, thirdly, equality of educational opportunity can be achieved by considering the needs of junior college districts along with their access to fiscal resources.

The local district is the key unit of the educational system—indeed, there is no American educational system except in terms of local districts. Thus, the assurance that equality of educational opportunity is being provided requires an examination of school districts. We believe that equality of educational opportunity can be achieved by establishing school districts of relatively equal access to local financial resources and having relatively comparable educational need requirements.

In theory, if local school districts were established with relatively equal financial resources available to them at a comparable level of local effort and if these districts were similar in their educational needs, the problem of providing equal educational opportunity would not exist —equal educational opportunity would be achieved. Unfortunately, it is not an easy goal to attain and the apparently great incomparability of school districts may even render the answering of the question "what is relatively equal in financial resources?" an academic exercise. Nevertheless, it is important that we seek the answers to these questions.

It is a well known fact that local communities provide a large portion of the financial resources required to sustain the programs of their school districts. The financial resources provided by these communities depend, in large part, upon their financial ability to support education and, in part, on the demand of local residents for public educational services. Revenues also depend upon numerous political factors which mitigate for or against the accurate expression of public will.

A crucial question involves a definition of "What is local financial ability?" and such a seemingly innocent question is almost without answer. Traditionally, estimates of local ability to support education have been based on revenues derived from local property taxes, and, since World War II, local governments have acquired 70 per cent of their income for general purposes from their own local sources. Since the property tax constitutes the large bulk of local resources, it is regarded by most people as the single measure of fiscal ability. And if the property valuations of school districts were examined, vast inequalities among districts would become apparent.

There is also another question and it involves the willingness of communities to demand educational services and the tendency of high income communities to demand higher levels of educational service. Coupled with this and perhaps inversely related to it, are the varying educational needs of communities. Research has revealed that those areas with the greatest need are precisely the same areas where ability is at its nadir. The educational need question, then, is, indeed, a perplexing one and has many aspects. For instance, what kind of student is each community college to be dealing with? What kind of program will these students require? What is the variation in the cost of these programs?

Assuming for a moment that it is possible to find the answers to these questions, one must reluctantly and inevitably face the cold hard facts: reorganization of districts to achieve the equalities mentioned above is politically and geographically unfeasible. In political terms, the tradition of "local home rule" prevails and districts are not about to alter their boundaries or give up any of their territory. In geographic terms, districts are already quite large and perhaps it is inappropriate to even contemplate creating larger units. Thus, as a total solution, reorganization is unfeasible; therefore, we must turn to the states for a different alternative—that of equalizing financial ability between districts which, based on their local resources, would be deemed financially incomparable.

Because reorganization of districts to compensate for financial and social differences is obviously unfeasible if not impossible, states must create a redistribution scheme that will attempt to equalize educational opportunities. We believe that equality of educational opportunity can be approximated at the first level of concern by equalizing the fiscal ability of school districts. In short, funds must be distributed by the state to local school governments. There has been a tendency to equate the potential for educational opportunities with financial ability. Realistically, this practice cannot be admonished because fiscal ability serves admirably as a first approximation of equal educational opportunities, for it is obvious that the fiscal ability of a community determines the amount it will spend on education and the level it must tax itself to provide that program. Moreover, a number of research studies have shown that there is a relationship between cost and quality of educational services. These studies indicate that the financial resources made available to the educational institution have a bearing on the quality of teaching staff, amount available for instructional purposes and the quality of the school's educational outputs. Despite this evidence, it is safe to say that the financial resources allocated to an educational institution are a necessary but not sufficient condition for educational quality. But resource utilization within the institution is not under discussion at this time. Instead, we are simply stressing the necessity for providing comparable financial resources to school districts as a first level approximation of equality of educational opportunity.

There is another point to be made: even if we were able to define financial ability in a manner acceptable to all and even if it were possible to equalize the financial resources available to school districts, it still would not be enough, for while financial ability may be a legitimate first approximation of equality of opportunity, it does not adequately examine all of the issues. The needs of school districts differ so substantially that the process of relating equality of expenditure to equality of opportunity makes very little sense because one cannot assume that all districts have the same proportion of students who are expensive to educate. In the same vein, one cannot assume that districts will have the same proportion of costly instructional programs as compared to relatively inexpensive instructional programs. Thus, a major factor for consideration is local need.

Because the needs of school districts differ substantially, it makes very little sense to relate equality of expenditure with educational opportunity. We believe that equality of educational opportunity is best determined by factors such as the needs of junior college districts considered along with their access to fiscal resources.

As noted above, one cannot assume that all junior college districts have the same proportion of children in programs that would be considered costly as compared to programs which are relatively inexpensive. We cannot expect that school districts will adequately meet the educational needs of their students in the fullest sense of the term when the support program provides no encouragement for this. The school district decision-making procedure must, of necessity, consider the varying costs of specific educational programs in making a budget determination as to what programs or courses will be offered in a given academic year. This, of course, relates to the degree to which the district is adequately meeting the educational needs of its students. It cannot be overemphasized: students are different. They come to the junior college with different degrees of educational preparation, different motivation levels, and with the expectation of participating in educational programs equipping them to attain their goals. We cannot assume for a moment that the cost of achieving these goals is identical. And, assuming that each goal may be translated into an educational program and that such a program is feasible for inclusion in the junior college curriculum, differing amounts of financial resources will be required. And state allocations to junior colleges should reflect these differing needs.

In implementing their legal responsibility to provide for public education, state governments have generally been quite slow to adapt to the requirements of society. The earliest support programs inaugurated by state governments had, as their main provision, a flat grant per enrolled student. Rarely did these early programs recognize that there were differences in the financial ability of school districts. Today, by contrast, the recognition of varying degrees of financial ability among school districts has been formalized in most state support programs. And it has been evident in the history of school finance that the most marked advances in the development of school support programs were made from the time of the acceptance of ability measures into the regular support programs of states. In the same manner, we may anticipate similar advances when the varying educational need of school districts (in this case junior college districts) is made an integral part of the school support program. Equality of educational opportunity, while roughly approximated as equality of fiscal ability, is best determined when the diverse needs of junior college districts are considered along with fiscal measures.

GUIDELINE III: STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH ENCOURAGES THE PROVISION OF EDUCATIONAL SERVICES TO POST-HIGH SCHOOL STUDENTS IRRESPECTIVE OF AGE.

State programs to support junior colleges should provide sums sufficient to encourage all who qualify for post-high school education to continue their study. This two-year, post-high school education should be available to all regardless of whether they are minors or adults. And, this proposition advocating that state support programs provide allocations in such a way as to encourage all qualified students to pursue two-year education falls into line with the original purposes outlined for the junior college. Under the original statements of intent for the junior college, education should be made available to all who can benefit from the experience. For this reason, educational opportunities have been extended to encompass a wide range of courses, not only for technical-vocational and degree-oriented students, but also for the student-adult who is interested in avocational and general curricula. The junior colleges are in a position to extend their provisions for adult public education and provide educational opportunities beyond high school for large numbers of students with varying needs and interests. It is imperative that the principle of financial support for post-high school education—and not just education for minor students—be maintained and strengthened at the state level.

In an affluent and rapidly changing society, all people should have the opportunity to obtain an education—indeed, a technologically-oriented society demands that its citizens be aware of the new and increasing problems confronting them and it is only through the educational system that awareness is fostered. Moreover, the political institutions of our nation are founded on the belief that the electorate will be interested and intelligent enough to make reasonable and informed decisions on matters of social significance. The progress of a state, therefore, will be determined by the wisdom and sophistication of its electorate. In consequence, it is undeniable that an increased percentage of college-educated citizens can contribute to wise solutions to social problems. Furthermore, our society is also structured on a deep belief in man as a Rational being. And in what other way is man's Reason developed to its highest potential than through the process of education!

Putting aside the moral and philosophical point that advocates educational opportunity for all post-high school students, there is another argument to be made: education benefits the society at large in tangible terms. For one thing, education increases economic productivity, for it equips individuals for more occupations and enables them to expand their horizons. They can aid progress, then, because they are equipped to develop new products and new techniques through the application of recently discovered scientific and engineering principles.

Secondly, education increases the capacity for national defense. Indeed, it is apparent that the qualitative requirements that national security places on the educational system are greater than those established by the demands of economic growth for private consumption.

Thirdly, education helps to alleviate and even break up pockets of poverty, for it helps individuals to become more productive. It is almost axiomatic that better education of young people and children is the best hope for enabling people of low socio-economic status to break away from the insulated poverty areas in which they live.

For all of these reasons, therefore, allocations should be adequate to encourage all qualified students to enroll for two-year, post-high school education. Moreover, these allocations should meet the educational needs of students regardless of the types of courses in which they are enrolled and regardless of their ages.

GUIDELINE IV: STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH IS PREDICTABLE, DEPENDABLE AND RELATIVELY STABLE SO THAT LONG-RANGE PLANNING IS ENCOURAGED. MOREOVER, SUPPORT PROGRAMS SHOULD BE PRESENTED IN A MANNER WHICH IS SIMPLE, CONCISE AND COMPREHENSIBLE.

Financial support to school districts should be predictable and dependable from year to year because the administration of public schools must meet established and stable budgetary expenditures like salaries, program costs and physical plant operation and maintenance. In order to meet these fixed costs, school districts should be faced with only a minimum of fluctuation in educational grants. Variations in anual revenue preclude sound, comprehensive, long-range planning—an essential element in the management of educational finances. In short, a realistic state support program must guarantee a steady income which can be anticipated annually. Stability does not mean inflexibility, however. Changes should be easy to achieve when new circumstances warrant new procedures and/or new facilities. State support programs should also be presented in a manner which is simple, concise and comprehensible, for in order to implement the programs, to assess their effectiveness and to provide proper and necessary revisions, they must be easily understood.

GUIDELINE V: STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH WILL ENCOURAGE EFFICIENT UTILIZATION OF RESOURCES ON THE PART OF SCHOOL DISTRICTS.

The answer to questions such as "What is the cost of an adequate program for the junior college?" is beyond immediate description. There is no single set cost for an adequate program which is descriptive of all programs in all junior colleges. If, indeed, the answer is to be found, and that does seem to be feasible in the relatively short-term future, it will require the aggregation of individual program costs. Moreover, it will be dependent in part on the sets of existent uncontrollable factors in school districts.

Even the "simple statement" junior college instructional program A costs $X per ADA represents a simplex approach to a difficult problem. The cost of a specific instructional program with specified educational objectives is dependent upon a great number of factors. If we may assume that the desired objectives of a specified instructional program can be behaviorally defined in measurable terms (and this is certainly a goal towards which we ought to be working), then the cost of achieving these objectives is determined by a number of factors—some of which are controllable. The administrative structure within which the program operates, decisions as to alternative teaching method or instructional procedures, or kinds and types of instructors to be hired, or the objectives of a specific instructional program are all to a considerable extent manipulative. That is, they are controllable and may be varied to produce the stipulated educational outcomes with a minimum educational expenditure, providing the proper budget data is available and utilized as a part of a research program to determine the "ideal mix" of educational services required to produce the educational outcomes.

The problem, however, is far more complex than this, for there are a host of uncontrollable factors which mitigate and to a considerable extent affect the nature of the educational outcomes of junior colleges. These have been touched on to some extent in the discussion of a previous section (Guideline II). Schools are situated in communities and the nature of the population of these communities, their characteristics, desires, goals, aspirations and the nature of the student they will send to the junior college are not subject to manipulation. Nor should they be.

The fact remains, however, that there have been no systematic attempts to identify and quantify the impact of the uncontrollable variables on costs of specific instructional programs, or to systematically determine the ideal mix of controllable factors to produce desired educational goals at minimum costs. What is needed is for each state government to encourage and promote the careful and efficient utilization of financial resources in its junior colleges, as a part of the state support program. How else can a state government (or for that matter a local government) justify to its populace that the resources made available have been expended in an efficient manner and that its enterprise justifies continuing public support. The implications of this Guideline will be discussed in a later chapter.

SUMMARY

In this chapter we presented five guidelines that we believe are indispensable both for generalizing about what education ought to be and for assessing what exists in specific instances. We believe that:

I. State support for junior colleges should be allocated in a manner which recognizes the joint responsibility of state and local governments.

A. The system of allocation should insure that resources are available for school districts to maintain a minimum adequate program with a reasonable local effort.

B. The system of allocation should be one which provides incentives to school districts to go beyond the minimum.

II. State support for junior colleges should be allocated in a manner which will assist in the provision of equality of educational opportunities throughout its junior colleges.

III. State support for junior colleges should be allocated in a manner which encourages the provision of educational services to post-high school students irrespective of age.

IV. State support for junior colleges should be allocated in a manner which is predictable, dependable and relatively stable so that long-range planning is encouraged. Moreover, support programs should be presented in a manner which is simple, concise and comprehensible.

V. And, state support for junior colleges should be allocated in a manner which will encourage efficient utilization of resources on the part of school districts.

Chapter 4

AN ANALYSIS OF THE CALIFORNIA JUNIOR COLLEGE SUPPORT PROGRAM

In this chapter we will evaluate the California Junior College Support Program in terms of its adequacy in meeting the Guidelines suggested in the preceding chapter. In order to do this, however, it will first be necessary to present a brief description of support programs in general and then a discussion of the California program as it presently exists.

State Support Programs

In most states, access to equal educational opportunity is generally equated with equal financial ability. As a result, the state assumes the responsibility of devising a program which, in essence, aspires to attain equality among districts. To create a more equitable balance, therefore, state legislatures shift financial resources from relatively rich districts to poor ones. Generally, it is politically more feasible to provide for this shift of funds in as unobtrusive a manner as possible. Thus, instead of actually shifting funds from district to district, most state support programs are little more than resource allocation schemes which provide "something for nothing" to all districts. The money required to finance such programs is normally collected from traditional state revenue sources. Income to state governments is received from individuals *qua* individual or from other entities rather than from districts and distributed to other districts.

This intentional ambiguity between resource collection and resource allocation is evident in other ways. The purpose of proposed additions to state support programs suffers from a failure to distinguish between sources of revenue and revenue allocation. There are those who feel that the proposed additional resources are for the purpose of providing needed additional support for educational services. There are others who believe that the purpose of the proposed increase in resources is not so much to maintain a higher level of educational services but, rather, to relieve local property tax burdens. At any rate, it is fairly obvious that this obscurity of purpose is, in many instances, used politically to convey the impression of accomplishing both purposes at once. It is true that, to some extent, the two purposes are related. An increase of state funds, having as its avowed purpose the lightening of the local property tax load, does free local resources and makes them more readily available for utilization in fulfilling local desires beyond state-established minimum programs. It is, however, extremely important that we differentiate between the two functions. To do this, we will briefly examine the format of the two major types of state support programs presently in use throughout the nation.

Today, approximately three-quarters of the states use a formula called the foundation program to support education. Through this method, the state government equalizes the dollars available to the local district when the tax rate is held constant and adjustments are made for variations in financial ability among districts. (See Figure 4-1, page 21.) Upon examining Figure 4-1, it becomes obvious that three of the main elements of a state foundation program are (1) a standard of adequacy, (2) a standard of effort, and (3) a measure of financial ability. Let us examine each of these in turn.

We have spoken briefly of the standard of adequacy in some of the discussion of the previous chapter. The standard of adequacy may be defined in several ways. For instance, the state may determine the total cost of a minimum educational program per pupil unit and define this as the standard of adequacy. Thus, the standard of adequacy may well be, as in many states, a set number of dollars made available to each district per student in average daily attendance. Slight variations from this occur in several states which use average daily membership or census children as the unit of student need. The latter measure, of course, since it may bear no relationship to the number of students actually enrolled in the public school, has a mystifying impact on the foundation program. The standard of adequacy, however, need not be defined in terms of an amount per student unit. It might well be aggregated by the definition of a number of standards of adequacies each dependent upon a different unit. For example, the plan used in Alaska may be considered an aggregation of three separate foundation programs, for in Alaska standards of adequacy are defined in three ways: per pupil unit; per teacher unit; and per attendance center.

Thus, the standard of adequacy has a definitive meaning. It is an attempt to define by whatever unit is believed to most accurately describe the financial requirements of a minimum educational program for a given state. Any attempt to describe a so-called foundation program and then to provide insufficient funds in fulfillment of the state's share of the foundation, a total amount below the standard of adequacy, is clearly a subversion of the foundation program. A classical example of this may be found in the State of Massachusetts, where, having defined the standard of adequacy and established a required financial effort to be met by local districts in fulfilling the local share of the foundation, the state meets only a given percentage of the difference in funds up to the standard of adequacy.

A second major feature of all foundation programs is the requirement that the school district maintain what is considered to be a reasonable standard of effort. The assumption is that when a district has maintained a reasonable standard of effort and this standard of effort when applied to its fiscal ability fails to provide the resources demanded by the standard of adequacy, the difference will be provided by the state as its share of the foundation. Theoretically, the standard of effort could assume many forms. But, in practice, it is usually a state-mandated actual or computational local tax rate. In its simplest form, where funds received from the Federal government under Public Law 874 are not credited towards the local contribution and where there are no properties exempt from local taxes but taxed at another governmental level, the standard of effort might simply be expressed as an actual tax rate to be applied to the property valuation of a school district. However, these complicating factors are usually present along with, in many instances, differing assessment practices from county to county. These difficulties usually require that the standard of effort be determined by a computational tax rate—that is, funds raised locally or provided by other governmental units but credited to local revenue sources are divided by the property valuation. (To determine a computational tax rate.)

The third major element of a foundation program is a measure of financial ability. The measure of ability most frequently used is assessed valuation of property adjusted to account for other sources of revenue credited as local revenues. In some instances, State governments have developed indices of financial ability instead of relying upon property valuation as the measure of financial ability. It should be noted, however, that usually these indices were developed not so much out of disregard for property valuation as a feasible measure of financial ability, but out of concern for difficulties in judging the stability of assessment practices within the state.

Thus, in Figure 4-1 a school district of financial ability "x" by putting forth the required standard of effort would raise funds in the amount $"yx." This represents the local share of a foundation program and the state would provide the difference in funds up to the established standard of adequacy. In this case, the state's share of the foundation would be $"zy" per unit.

There is an additional complicating factor in many foundation programs. Political realities often make it difficult for legislators to obtain approval for programs in which wealthy school districts receive little or no funds. For example, a financially able district might tax itself at the standard of effort and, by so doing, it might raise enough funds to approach the standard of adequacy. (It may even raise more funds than the standard of adequacy at the given level of effort.) In the foundation program, the district would receive little or no state money depending on the revenue produced from the standard of effort compared to the standard of adequacy. This makes it exceedingly difficult to receive district support for proposed state support programs. Thus, an ingenious political compromise is to establish a flat grant option which stipulates that no school district will receive less than a given number of dollars per unit, regardless of the financial ability. Figure 4-1 diagrams flat grants, showing that all districts having financial ability greater than "w" would, under the foundation program, receive amounts less than that represented by the ordinate "uv" as the state share. In short, the flat grant option would assure all such districts of receiving $"uv" per unit.

While the traditional foundation program had as its major intent the equalization of resources throughout the districts of the state, other kinds of plans developed out of the expressed desire to develop a plan which provided incentive to school districts to go beyond minimum programs.

Basically, these plans are of two types. On the one hand is the so-called guaranteed valuation program, which had its inception at the time of Updegraff but reached modern prominence at the time it was instituted in Wisconsin. In brief, the plan provides for an established valuation per ADA to be guaranteed to each district and the district chooses the tax rate it wishes to levy in order to achieve the desired educational program. The state then provides the difference in yield of that tax rate between the valuation of the district and the guaranteed valuation.

The second major type of incentive program we will refer to is the flat grant incentive plan. This was developed by Lindman and was first utilized in financing the building program of the state of Washington. In more recent times the plan was reintroduced by Johns and utilized as a part of the regular support program in Florida just this year. This plan provides for a variable flat grant for school districts dependent upon the tax rate they choose to levy. Thus, for example, the state might provide a flat grant of $100 for each 10 cents per hundred of tax rate that the district chooses to levy. A district which taxed itself at 40 cents, therefore, would receive a $400 flat grant in addition to the yield of the tax rate when applied to the local property valuation.

In each of these incentive programs the school district has the option of establishing its own expenditure level and is not restricted by a standard of adequacy representing a minimum program. The state participates in the funding of the total program as determined by the local district.

The California Junior College Support Program

In view of the foregoing, it should be quite easy to understand the California Junior College Support Program. Let us first make the distinction, however, between the revenue production function of the State and the revenue dispersement or support program.

Junior college apportionments are received from the State general fund. This money is derived from a number of sources including: sales tax, personal tax, bank and corporation tax, inheritance and gift taxes, liquor taxes and fees, cigarette tax, horse racing fees, insurance tax, and others. Of these sources, the most important are the sales tax, banking and corporation tax, and personal income tax. None of the State revenue is explicitly earmarked for education, however. Despite this, the California Constitution provides that education shall have *first call* on the money available in the general fund. Moreover, there is a constitutional requirement that funds be provided from the general funds on the basis of $180 per unit of average daily attendance in all public schools (including junior college) for apportionment to these institutions. Moreover, each year the legislature specifies by law an additional amount to be made available to the State school fund. In 1964-65 this was $40.88 and in 1965-66 this was $55.64. "The main purpose of the formula is to insure that there is sufficient money in the State School Fund to fund the required apportionment to county school offices and local districts maintaining elementary schools, high schools, or junior colleges."* (Parenthetically, it should be noted that if junior colleges totally divorce themselves from the elementary and secondary levels in their desire to be regarded as a part of California's system of higher education, they may lose the protection of the $180 constitutional guarantee and might be forced, in consequence, into a position of financial competition with the state colleges and universities.)

The program for the allocation of resources to individual junior colleges in California is of the foundation type discussed earlier. However, there are separate foundation programs for regular pupils and for students defined as adults. (The support program for regular pupils is diagrammed in Figure 4-2.) The State requires that the district maintaining a junior college levy a computational tax of 25 cents per hundred dollars of adjusted assessed valuation. The amount raised by the district at this standard of effort provides its share of the total foundation program. The standard of adequacy is set at $600 per regular ADA. Thus, the difference between "district aid" (the amount raised locally by levying the State-mandated tax) and $600 provides the State's share of the foundation program. Also, there is a flat grant provision insuring $125 per ADA to all school districts. It should be readily observable in Table 2 that the "cutoff point" for equalization aid in the foundation program is $190,000 per ADA—that is, all districts above $190,000 per ADA in property valuation no longer are on the equalization portion of the foundation program but receive simply the $125 "basic aid."

In order to understand more fully the California Junior College Foundation Program, several examples will be studied. (See Figure 4-3.) We have chosen three California junior college districts* of rather diverse wealth.

District A has a property valuation of $30,000 per student in Average Daily Attendance, District B has a valuation of $190,000 per ADA and District C has a valuation of $300,000 per ADA. Thus, District A, by levying the required tax rate of .0025, raises [illegible].00 locally and under the foundation program receives basic and equalization aid in the amount of $525.00 per ADA. District B has been selected as an example because its valuation places it at the breaking point between the equalization and the basic aid programs—that is, at its valuation, it is the least wealthy district to be on basic aid only. Thus, the same .0025 tax rate when applied to the valuation per ADA of $190,000 yields district aid in the amount of $475.00. The difference between this amount and the $600.00 Foundation Program is exactly $125, which is the amount of the basic aid provision. District C with its very high valuation raises $750 per ADA when the same State-mandated tax rate is applied. It also receives a flat grant of $125 per ADA. These data are summarized in Table 4-1.

It is appropriate at this point to discuss the local tax levies in districts maintaining junior colleges. The statutes define a maximum general purpose tax rate of .0035 (35 cents on each $100 of assessed valuation). Beyond this point, approval of the electors is required for additional general purpose taxes. In addition, it is possible for districts to levy taxes for special purposes when the cost of achieving these special purposes is beyond the capability of the general purpose tax rate of the district. These special purpose tax funds, however, may be used only for the specific purpose designated.

We will not discuss each of the special purpose tax levies applicable to junior colleges at length but it is necessary to simply mention a few that are most commonly used. Districts may levy a tax rate of 5 cents for community services including recreation services. Districts may levy a special purpose tax rate of 5 cents or a portion thereof up to the amount required to be contributed for certificated employees' retirement. Districts may levy a tax rate up to 10 cents to raise revenue for adult education purposes. In addition, special purpose taxes may be levied covering items such as contributions to the state employees' retirement system for classified employees, the district contribution to social security for classified employees, and to pay for all or part of employees' health or welfare benefits.

Now let us assume that each of the three districts (A, B and C) levies a general purpose tax rate up to the statutory maximum of .0035 (35 cents on each $100 of assessed valuation)—and this is not an unreasonable assumption because when rounded out to the nearest cent, all the districts in the State have at least a 35 cent levy. In Table 4-2, a summary has been made of the revenue yield from the application of this uniform tax rate to junior college

---

**State Support for California Junior Colleges*, The Bureau of Junior College Administration and Finance, No. 30, May 23, 1966, p. 2.

*Actual California Junior College districts have been selected but financial data for the districts has been rounded off for financial purposes.

Table 4-1

DISTRICT AND STATE AID—
3 CALIFORNIA JUNIOR COLLEGE DISTRICTS*

	Valuation/ ADA	District** Aid	State*** Aid
District A	$ 30,000	$ 75.00	$525.00
District B	190,000	475.00	125.00
District C	300,000	750.00	125.00

*Actual California Junior College Districts, but data "rounded off" for demonstration purposes
**Amount raised per student in Average Daily Attendance from a computational tax rate of .0025
***Basic and equalization aid

districts. The amount raised per ADA from the Foundation Program (Col. 3) is simply the total of district aid and State aid from Chart 1. Thus, even at the State-mandated tax rate of .0025, while Districts A and B are each at the foundation level of $600, District C, which raised a considerable amount of funds locally by the application of the tax rate to its large valuation, has raised an amount $275 above the foundation ($875). When the additional general purpose tax rate of .0010 (10 cents per $100 of assessed valuation) is applied to the valuation of each district, the differences in the amount raised from this local tax rate are tremendous (Col. 5). When District A levies a 10 cent tax rate, it manages to raise only $30 to be added to its Foundation amount. When District B taxes the additional 10 cents, it raises $190 more than the foundation amount. Finally, when District C taxes at the same rate, it raises an additional $300 per ADA. Thus, the revenue yield per Average Daily Attendance at a uniform tax rate of .0035 in each of the three districts provides $630, $790, and $1175 in Districts A, B, and C, respectively.

These examples have been presented to demonstrate the manner in which the California Junior College Foundation Program operates. They were selected particularly for their value in demonstrating the extremes of the program. There is, however, a by-product of the above discussion: the conclusion that certain inequities exist in the system is an inevitable one.

Moreover, in California there is a separate program to provide support to junior colleges for those students who are "adults." An adult is defined as a person over 21 years of age who is enrolled in less than 10 class hours of instruction. The program (See Figure 4-4) purports to be a foundation program requiring a computational tax rate of .0024 as a standard of effort and a standard of adequacy of $490 per adult ADA with a $125 flat grant provision. However, the law further stipulates that no district may receive more than $230 per adult ADA. Thus, the State has established a "Foundation Program for Adults" to provide a minimum program but it has also established a limitation on the portion of the State share which it chooses to provide. We commented earlier in this chapter on this type of subversion of the foundation program and will not prolong the discussion.

Table 4-2

REVENUE YIELD FROM UNIFORM TAX RATE—3 CALIFORNIA JUNIOR COLLEGE DISTRICTS

	Valuation/ADA	District Tax Rate	Amount Raised per ADA from Foundation Program*	Tax Rate Above That Required for Foundation	Amount Raised from Additional Tax Rate**	Revenue Yield per ADA at Tax Rate of .0035***
District A	$ 30,000	.0035	$600	.0010	$ 30	$ 630
District B	$190,000	.0035	$600	.0010	$190	$ 790
District C	$300,000	.0035	$875	.0010	$300	$1,175

*Assuming a computational tax rate of .0025
**Column 1 × Column 4
***Column 3 + Column 5

In effect, what has been created is a $230 flat grant program for adults in those districts having a valuation between $0 and $108,333 per ADA and a $125 flat grant program for all districts having a valuation greater than $152,083 per ADA. These two flat grant programs are connected by a modified foundation program. That is, districts between $108,333 and $152,083 per ADA in property valuation receive State aid in an amount between $230 and $125 per ADA depending upon the district's wealth. Table 4-3 shows the distribution of districts and students in the State in terms of the section of the defined adult program in which they receive funds.

This support program is further confounded by the manner in which enrollment is considered. The appropriation is based on the previous year's enrollment, but the law further stipulates that no district may receive more than $230 per adult ADA based on current enrollment. Thus, in effect, two of the three sections are based on past year enrollment and the third on current enrollment. This appears to be a somewhat nonsensical approach to the problem of determining the appropriate support level for defined adults.

In addition, there is a foundation program applicable to small junior colleges (less than 1,001 ADA exclusive of "adults"). In this program the district is required to levy a general purpose tax rate of .0035 and the amount of the Foundation Program is based on the size of the district or the number of certificated employees, whichever provides the lesser amount. There are a number of provisions whereby small junior colleges must justify their existence for the fiscal year 1967-68 and thereafter. In some instances eligibility is to be determined by the State Board of Education. This plan is fairly clear-cut, so we will not spend time in discussing it in great detail.

There are several other complexities which serve to confound the California Support Program. One of these is the enrollment figure which is to be used in computing the regular foundation program. While districts that are on equalization aid receive their apportionment on the current year's enrollment, districts which receive only basic aid (flat grant) receive their apportionment on the previous year's enrollment. Perhaps the logic behind this is the feeling that the flat grant is no longer applicable and that basing the apportionment on the previous year's enrollment tends to undercut the size of the flat grant. If the flat grant is not appropriate, there certainly seem to be more rational ways of reducing it.

Table 4-3

DISTRIBUTION OF DISTRICTS AND STUDENTS ON "DEFINED ADULT" SUPORT PROGRAM (1965-66)

	$230 Flat Grant	Between $230 and $125	$125 Flat Grant
Percentage of Districts	15.4	43.1	41.5
Percentage of Students	10.7	47.2	42.1

Another issue which confounds the foundation program is the maner in which non-resident and non-district students are handled. Non-district students, students who reside in a territory not encompassed by a district maintaining a junior college, are credited to the district which they attend on the basis of a $125 flat grant. The difference in the cost of educating these students is received from a county tuition tax levied upon those areas of the county not maintaining junior college districts.

Districts receive compensation from the State in the same amount ($125 flat grant) for students who are non-residents—that is, for students who are legally residents of another state. There is an enigma here as to the source of the remainder of the support for such students. Traditionally, tuition fees for out-of-state students have been relatively low and do not come close to meeting the actual cost per student.

Figure 4-1

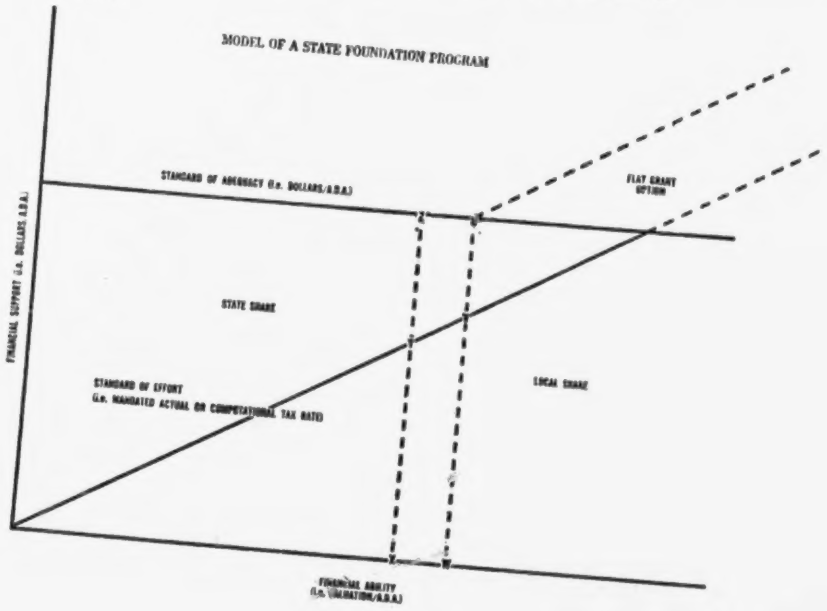

MODEL OF A STATE FOUNDATION PROGRAM
STANDARD OF ADEQUACY (i.e. DOLLARS/A.D.A.)
FLAT GRANT OPTION
FINANCIAL SUPPORT (i.e. DOLLARS/A.D.A.)
STATE SHARE
STANDARD OF EFFORT
(i.e. MANDATED ACTUAL OR COMPUTATIONAL TAX RATE)
LOCAL SHARE
FINANCIAL ABILITY
(i.e. VALUATION/A.D.A.)

Figure 4-2

STATE AND LOCAL SCHOOL SUPPORT

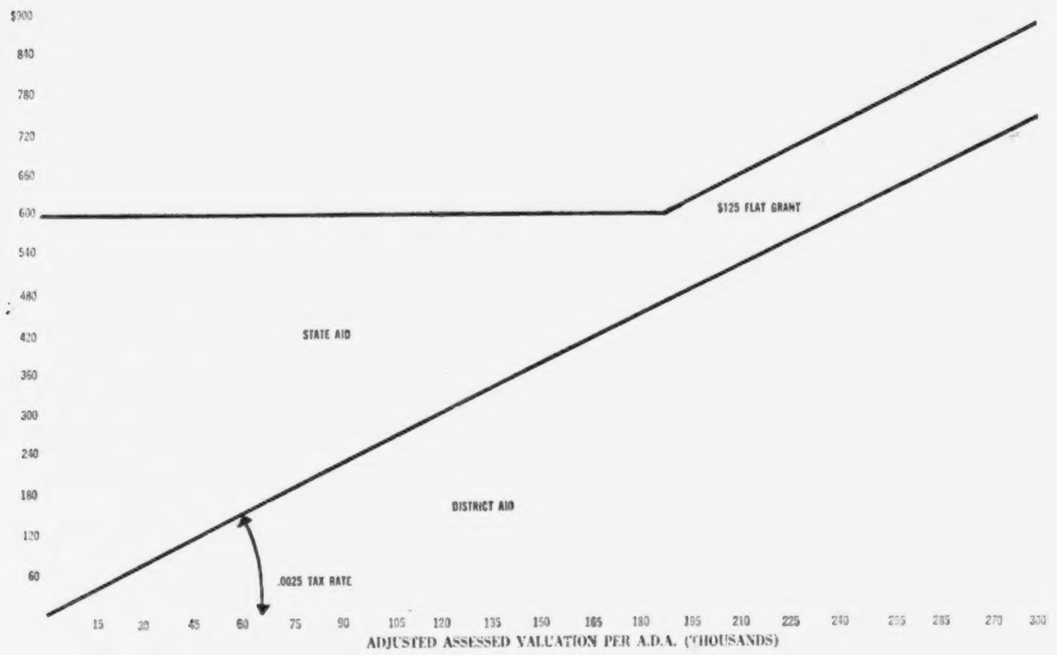


Figure 4-3

STATE AND LOCAL SCHOOL SUPPORT (3 CALIFORNIA JUNIOR COLLEGE DISTRICTS)

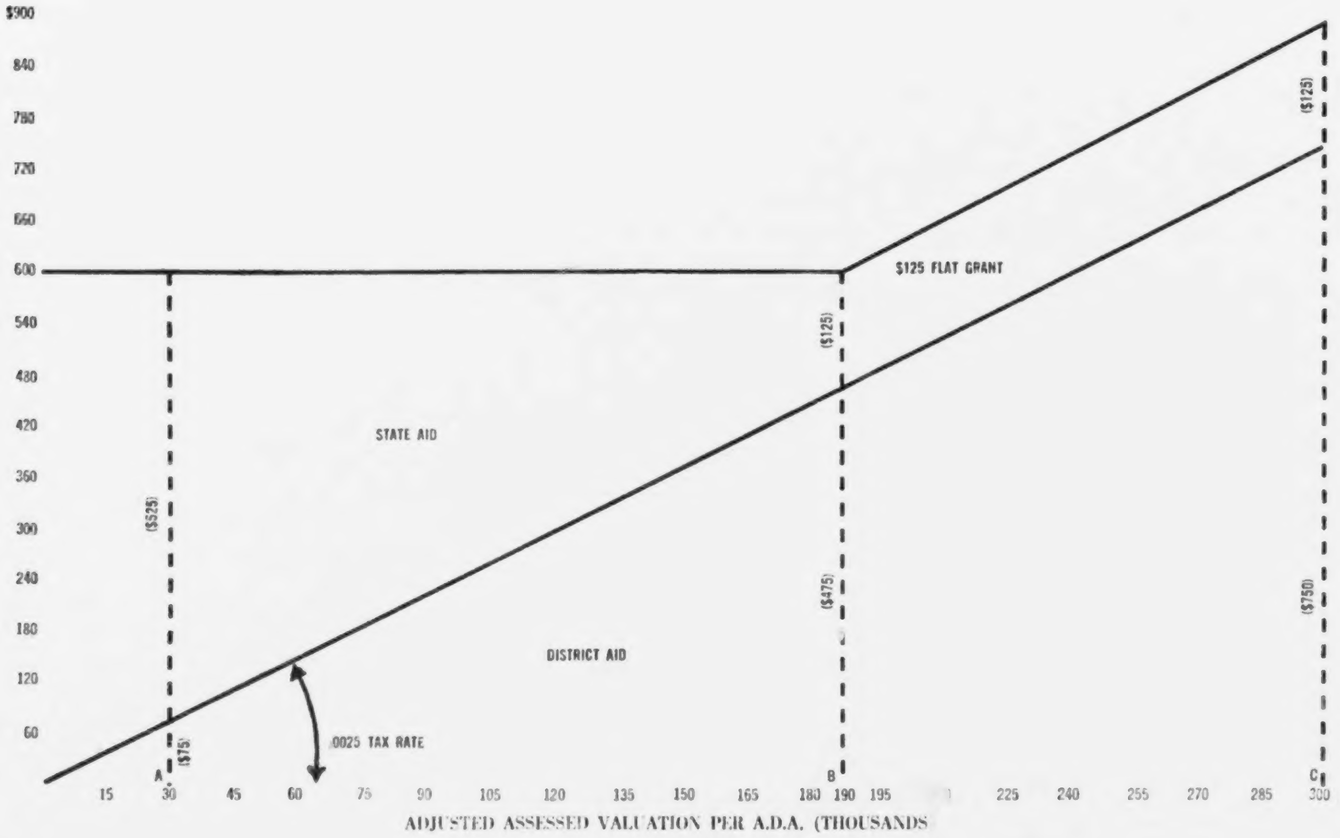
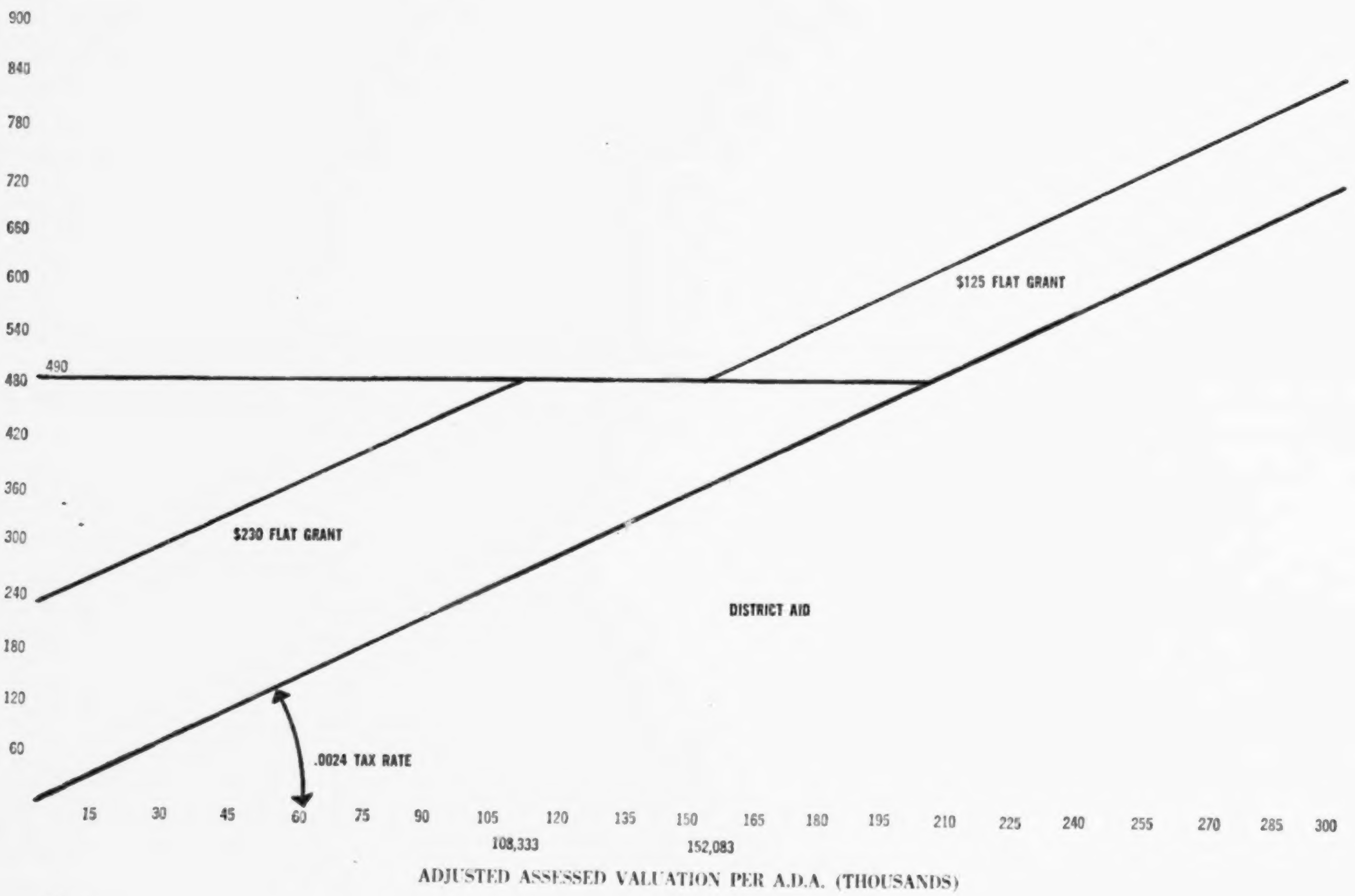


Figure 4-4

CALIFORNIA JUNIOR COLLEGE SUPPORT PROGRAM FOR "ADULTS"



Chapter 5

EVALUATION OF THE CALIFORNIA JUNIOR COLLEGE SUPPORT PROGRAM

We will now attempt to examine systematically the California Junior College Support Program. In order to skillfully examine or analyze the California Program and in order to give coherence to our discussion, some criteria of assessment must be invoked. We will use the Guidelines set forth in Chapter 3 as a postulated set of standards to be used as the basis of evaluation. In this way, we will have a complete set of measures by which evaluation can be facilitated and, most importantly, we will have a basis for comparison and contrast—we can assess what the California system is and compare and contrast it to what it ought to be. In this way, too, we can demonstrate how the Guidelines would improve the California Support Program if a new system were inaugurated.

GUIDELINE IA. THE SYSTEM OF ALLOCATION SHOULD INSURE THAT RESOURCES ARE AVAILABLE FOR SCHOOL DISTRICTS TO MAINTAIN A MINIMUM ADEQUATE PROGRAM WITH A REASONABLE LOCAL EFFORT.

Discussion of Guideline IA

It is important that a state support program for junior colleges attempt to determine and provide the resources required for a minimum adequate program. Conceptually, the foundation program has been an attempt to provide a minimum program with (local tax effort equalized) a minimum burden on local taxes. In order to examine how well the California support system for junior colleges has achieved this Guideline, it would be helpful to consider the section in two parts. The parts may be considered best expressed by the following questions: (a) What is the support level necessary in order to provide a minimum adequate program? and (b) What is an appropriate local contribution to such a program?

A general reticence on the part of educators to identify necessary goals for a minimum adequate educational program in quantifiable terms and to carry on cost studies which would aid in the identification of program costs for such programs make the first of these two questions almost insoluble at this time. However, as Guideline II will demonstrate, it appears logical to assume that a minimum standard of adequacy of approximately $480 per ADA is appropriate when the population group referred to for the cost estimate is "adults" as well as regular students.*

If the determination of the appropriate local contribution is to be based upon the recommendations of the *Master Plan for Higher Education*, then the answer to the second question is purely clear-cut. The plan recommended that in the fiscal year 1959-60 the State pay 30 per cent of the amount of current expenditures of the junior colleges and that this percentage be increased 1 per cent per year until it reached 45 per cent in 1975. Parenthetically, we must note that it is not altogether clear why the percentage should be based upon expenditures on education (Total Current Expense of Education) rather than upon percentage of total school district income. The latter appears to be a more direct measure of State support. However, because of budgetary practices, there is a difference in the results achieved by using these two measures. This is demonstrated in Table 5-1. A glance at Column 2 shows that the State contribution as a per cent of current expenditures was 26.93 per cent in 1959-60. It dropped to a low of 26.05 per cent in 1961-62 and then gradually increased for the next three years to reach 32.50 per cent in 1964-65. We are unable to present the 1965-66 data.* If, on the other hand, the state contribution were figured as a per cent of total income, it would have ranged from 22.42 per cent in 1959-60 to 22.98 per cent in 1964-65.

Whichever measure is used, there is a substantial incompatibility between what exists and the recommendations of the *Master Plan* relative to the total State contribution. Whe nthe State contribution is considered as a per cent of current expenditures, the per cent fulfillment of the *Master Plan* has not been above 92 per cent in the past five years. It is encouraging to note, however, that after the substantial drops in 1960-61 and again in 1961-62, the State contribution has been increasing and that the percentage fulfillment of the *Master Plan* has increased accordingly.

If we are to attempt to understand the reasons for the fluctuations in the state contribution from year to year, there are a number of factors which must be considered. Factors which may be responsible for an increase in the percentage of State support in one year as compared to a preceding year in the California Junior College Foundation Program are: (1) if there is a change in the support program so that there is an increase in the foundation amount (increase in the standard of adequacy), (2) if there is a change in the support program so that there is

---

*Elsewhere in this paper "regular students" refers to *resident* non-adults. Here it obviously has to refer to non-resident and non-district as well since these were included on the computer run.

*While the amount of the State contribution for the year 1965-66 is available, the current expenditures for school districts have not yet been filed with the California State Department of Education.

a decrease in the local tax rate used to compute the district's contribution (decrease in the standard of effort), (3) if there is a change in the support program which revises the nature of the student population eligible for inclusion in the foundation (in what manner are the following classes of students of students handled: Non-residents? Non-district? "Adults"? Is the apportionment based upon the previous year's enrollment or upon the current year's enrollment?), (4) the same Foundation Program, school districts are less wealthy than in the previous year, the amount of State contribution will increase (this may occur when the percentage increase in enrollment is greater than the percentage increase in adjusted assessed valuation).

Let us examine the various factors relating to the per cent of State support of junior colleges over the six-year period 1959-60 to 1964-65. (See Table 5-2.) In 1960-61 the percentage of State aid to junior colleges decreased by 2.4 per cent from the previous year. This seems to be easily explained. There was no change in the Foundation Program (Cols. 8 and 9). And, while the ADA remained approximately the same, the adjusted assessed valuation increased by more than a billion dollars. Thus, school districts appeared to be wealthier and received less State funds from the Foundation Program.

Several changes were made in 1961-62 that seemed designed to increase State aid. The foundation amount was raised from $424 to $543 and the mandated local tax rate was lowered from 33 cents to 24 cents. Both of these changes would have the effect of increasing the amount of state aid. There was another important change, however. Starting in 1961-62 non-resident students were designated separately in the reporting by school districts and not included in determining the appropriation on the Foundation Program. Thus, a seemingly incredible drop in ADA from 129,432 (Col. 5) to 109,634 (Col. 6) is easily explained. This "decrease" in the number of students caused a substantial jump in the adjusted assessed valuation per student (Col. 7). Thus, despite the increase in the foundation level and the decrease in the mandated tax rate, the State contribution decreased 9/10 of one per cent from the previous year.

It should be noted that this change in the law had a no-loss clause associated with it, which was designed to help those districts that would receive less State aid because of the change in the code. Those that gained from the changes would be assessed to make up for those that lost money, with the compensation for loss set at 30 per cent of the amount lost, to be decreased by 20 per cent each year. There may be a slight underestimate of the State contribution for the year 1961-62 in this study because one of the largest beneficiaries of the no-loss clause was a unified district, and the analysis presented here is based solely on junior college districts. The decision to restrict the analysis in this manner was based primarily on the difficulty of determining current expenditures for junior college purposes in unified and high school districts.

In 1962-63, the percentage of State aid increased for the first time since the initiation of the Donahoe Higher Education Act. This apparently was the result of two changes. First, the foundation amount was raised from $543 to $570 (Col. 8). Second, there was a substantial increase in the junior college enrollment from the previous year. The resident non-adults in average daily attendance increased 17.4 per cent while the adjusted assessed valuation increased only 13.4 per cent. This is evident in the decrease in adjusted assessed valuation per student (Col. 7).

The State's share of total current expenditure increased again over the previous year in 1963-64. At first glance, the data fail to show the reason for this change. The amount of the Foundation Program and the mandated tax rate remained the same. The reason for the change, however, was that in that year, apportionments were based on enrollments determined on a current year basis rather than a previous year basis. To make the transition more understandable, in columns 3, 6, and 7 of Table 5-2 we have included in parenthesis the number that would have been applicable had the change not taken place. For example, had the change not taken place, the adjusted assessed valuation per student would have been $188,318. However, when current ADA was used, the figure became $153,309. As a result of this, districts were seemingly poorer and the State contribution that year increased 4.5 per cent from the previous year even though no changes took place in the foundation amount or mandated tax rate.

An increase of 10.4 per cent took place in 1964-65. This was the largest per cent increase in the six-year period and is unodubtedly explained to some extent by the change in foundation amount (standard of adequacy) which was raised from $570 to $600.

In making an assessment of the degree of State support since the initiation of the Donahoe Higher Education Act, it seems that the most important factor to account for the *increase* in per cent of State aid is the expanding enrollmen and the *relative wealth* position of school districts, because of this increase in student population. The enrollment of resident non-adults in 1965 was 77 per cent greater than in 1961 (the last year in which comparable data were available). However, the increase in adjusted assessed valuation for these same years was only 53.5 per cent. Even if there had been no change in the education code, it appears likely that the per cent of State aid would, therefore, have increased for those years. This means that the increased State aid called for in the *Master Plan* has been in great part the result of the expansion of the junior college system rather than of a conscious effort to modify the program so that the State government may assume a greater degree of responsibility. Apparently some of the indicated modifications in the Foundation Program amount did little more than keep pace with the increased cost of junior college education.

Table 5-1

STATE SHARE OF CURRENT EXPENDITURES OF JUNIOR COLLEGES, AND OF JUNIOR COLLEGE INCOME, COMPARED WITH MASTER PLAN RECOMMENDATIONS CALIFORNIA, 1959-60 THROUGH 1964-65[1]

Year	Master Plan Recommendation For State Contribution Based On Per Cent of Current Expenditure for Education 1	State Contributions Per Cent of Current Expenditure For Education[2] 2	Per Cent Fulfillment of Master Plan 3	State Contribution as Per Cent of Total Income[3] 4
1959-60	30	26.93	89.8	22.42
1960-61	31	26.29	84.8	22.09
1961-62	32	26.05	81.4	20.86
1962-63	33	27.84	84.4	21.82
1963-64	34	29.43	86.6	22.39
1964-65	35	32.50	92.8	24.98

1. Source: *Controller, State of California Annual Report of Financial Transactions Concerning School Districts,* years 1959-60 through 1964-65. The actual figures for income and expenditures were given in the Controller's Report, percentages were compiled from these.
2. Per cent of State Contribution was obtained by taking "School Fund Apportionments" and "other aid" from *Financial Transactions* and dividing the total derived from these two figures by "Total Current Expense of Education." Source for each year's precentage as follows: 1959-60, column 4 and 5, page 81 diivded by column 11, page 166; 1960-61, Column 4 and 5, page 80 divided by column 12, page 166; 1960-61, column 4 and 5, page 80 divided by column 12,2, page 164; 1962-63, column 7 and 8, page 118 divided by column 12, page 212; 1963-64, column 7 and 8, page 120 divided by column 12, page 212; 1964-65, column 7 and 8, page 114, divided by column 12, page 202.
3. Per cent of state contribution of income obtained by taking "School Fund Apportionments" and "other aid" from *Financial Transactions* and dividing the total derived from these figures by "Total Income." Source for each year's percentage as follows: 1959-60, column 4 and 5, page 81, divided by column 13, page 81; 1960-61, column 4 and 5, page 80 divided by column 13, page 80; 1961-62, column 4 and 5, page 80 divided by column 14, page 80; 1962-63, column 7 and 8, page 118 divided by column 21, page 119; 1963-64, column 7 and 8, page 120 divided by column 21, page 121; 1964-65, column 7 and 8, page 114 divided by column 21, page 115.

Table 5-2

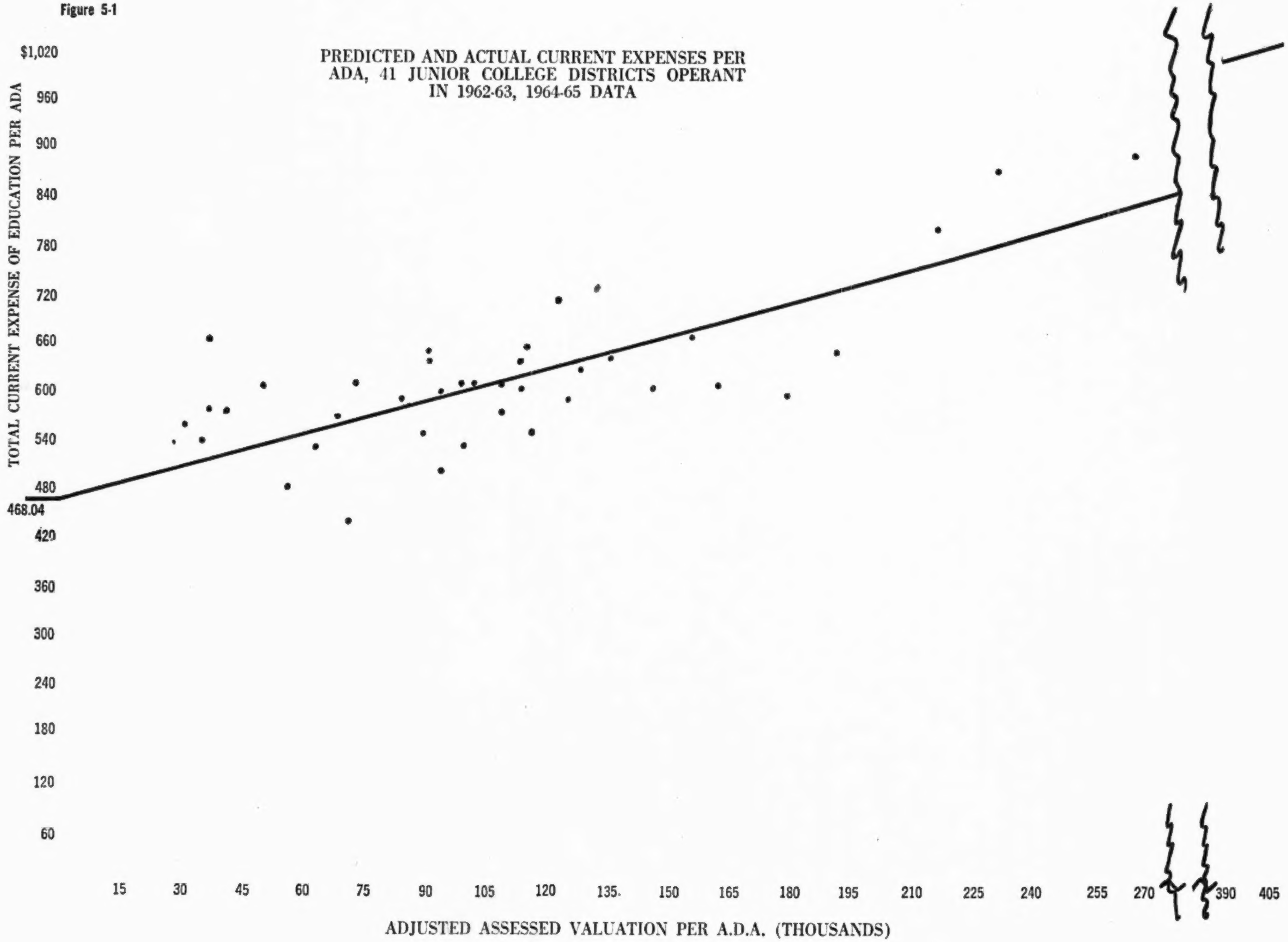
VARIOUS FACTORS RELATING TO PER CENT OF STATE SUPORT OF JUNIOR COLLEGES[1]

Year of Apportionment	State Share As Of Per Cent Of Current Expense Of Education 1	Increase or Decrease in Per Cent of Contribution from Previous Year 2	Adjusted[2] Assesed Valuation 3	Per Cent Increase for Previous Year of Adjusted Assesed Valuation 4	ADA for Non-Adults 5	ADA for[3] In-District Non-Adults 6	Adjusted Assessed Valuation per Non-Adult 7
1959-60	26.93		18,261,496,037		128,984		141,579
1960-61	26.29	— 2.4	19,450,682,083	6.5	129,432		150,277
1961-62	26.05	— .9	20,943,772,144	7.7		109,634	
1962-63	27.84	+ 6.9	23,771,740,744	13.4		128,470	
1963-64	29.43	+ 5.7	28,437,397,877	19.8		165,242	
			(26,332,599,272)[4]			(139,829)[4]	
1964-65	32.50	+10.4	32,166,712,116	13		193,187	

Year of Apportionment	Adjusted Assessed Valuation per In-District Non-Adult 8	Foundation Program	
		Amount 9	Mandated Tax Rate 10
1959-60		$424	.0033
1960-61		424	.0033
1961-62	191,033	543	.0025
1962-63	185,037	570	.0025
1963-64	153,309	570	.0025
	(188,318)[4]		
1964-65	166,506	600	.0025

1. Source: California State Department of Education, *Apportionment of the State School Fund,* for fiscal years 1959-60 through 1964-65.
2. Until 1963-64 Adjusted Assessed Valuation as shown in apportionment books is for previous years assessment. The Adjusted Assessed Valuations for 1963-64 and 1964-65 are for those years.
3. Until 1963-64 each year's ADA is for the prior year. The ADA shown for 1963-64 and 1964-65 are for those years.
4. These are figures that would have been applicable if the method of computing apportionment had not been changed to utilize current ADA and Adjusted Assessed Valuation in 1963-64.

Figure 5-1



PREDICTED AND ACTUAL CURRENT EXPENSES PER ADA, 41 JUNIOR COLLEGE DISTRICTS OPERANT IN 1962-63, 1964-65 DATA

GUIDELINE IB. THE SYSTEM OF ALLOCATION SHOULD BE ONE WHICH PROVIDES INCENTIVES TO SCHOOL DISTRICTS TO GO BEYOND THE MINIMUM.

Discussion of Guideline IB

As has been previously mentioned, the California Support Program is of the foundation type. It provides funds on an equalization basis to junior college districts to assist them in meeting the so-called minimum program or standard of adequacy. There is no direct financial inducement to school districts to encourage them to provide a quality educational program which goes beyond minimum standards of adequacy. As has been noted in the discussion of Guideline IB, school districts of greater wealth find it much easier to go beyond the minimum standard of adequacy and do so to a greater extent than less wealthy districts. The California Support System for junior colleges as it is presently established lacks a strong incentive feature.

GUIDELINE II. STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH WILL ASSIST IN THE PROVISION OF EQUALITY OF EDUCATIONAL OPPORTUNITY THROUGHOUT ITS JUNIOR COLLEGES.

Discussion of Guideline II

We believe that equality of educational opportunity is the essence of a free and democratic society. As mentioned earlier, however, implementing the concept of equal educational opportunity demands a deep commitment to a system of free public schools so that all individuals can grow and develop themselves. Thus, we feel that the attainment of equal educational opportunity is a necessity. We believe that it can be achieved through three potential means: (1) by establishing school districts of relatively equal access to local resources and having relatively comparable educational needs requirements; (2) by equalizing fiscal ability of school districts; and (3) by considering the needs of junior college districts along with their access to fiscal resources. We will now examine each of the methods individually.

Comparable Districts

The presentation of this section of Guideline II in some respects represents a "straw man" or a concession to maintaining unity in the model. It is totally unrealistic to expect that California junior college districts, relatively comparable in available fiscal resources and relatively comparable in educational needs, could be created. It is obvious that junior college districts, as they presently exist, differ considerably both in their fiscal abilities and in the nature of the populations they attempt to serve. Since a discussion of differing abilities of junior college districts will be undertaken in a subsequent section, a few final words about the composition of school districts in terms of their social and economic characteristics should serve to conclude this section.

Unfortunately, if one desired to determine characteristics of individual districts according to census criteria, he would have to spend a considerable amount of time examining the contiguity of junior college districts with census tracts and then he would have to convert this data into a meaningful aggregate accurately representing each district. In a limited study, such a task is impossible. It is possible, however, to examine a larger level of aggregation which may be indicative of the kinds of differences represented between junior college districts. For this purpose, we have gathered data on several census variables by counties in California. It is readily recognized, however, that this data may be subject to some distortion because of the changes that have taken place in California over the past six years.

We took 1960 census data on median family income as a first approximate measure of ability to support education. The county data ranged from a low of $4,438 in Lake County to a high of $8,110 in Marin County. There were six counties* (King, Lake, Madera, Mariposa, Merced, and Tulare) in 1960 with median family incomes of less than $5,000 and seven counties (Contra Costa, Los Angeles, Marin, Orange, Sacramento, San Mateo, and Santa Clara) had median family incomes of more than $7,000. While the median family income for the entire state was $6,726, there were only nine counties (Alameda and Santa Barbara in addition to the counties mentioned which had greater than a $7,000 average) above this figure. Forty-nine counties, therefore, fell below the State median.

Property valuation is another potential measure of the ability of counties to support education. The fact that junior college districts differ substantially in their property valuation was pointed out earlier and it will be commented on in detail in the paragraphs which follow.

Expenditures on public welfare, taken as a per cent of general revenue (1962 census of government data), can also be utilized as indications of the educational needs of a county. If one assumes that a relatively large expenditure on public welfare can be equated with a relatively large need for high cost specialized programs including vocational and technical training, the use of public welfare expenditures as a measure is not unreasonable. While we would be among the first to admit that there are inadequacies inherent in this assumption, it does seem worthwhile to examine these data as a first indication of educational need. For instance, the range between Mono County and Lake County was 7.3 per cent to 51.7 per cent, respectively. The low percentage in Mono County is indicative of the fact that the expenditure on public welfare there is very small compared with total general revenue. The obverse is true when the percentage is high, as in the case of Lake County. The five counties (Mono, Trinity, Sierra, Alpine, Amador) with the lowest percentages of public welfare expenditure ranged from 7.3 per cent to 21.7 per cent. In 1960, each of these counties had fewer than 10,000 residents. In 1960, of the counties with populations of more than 30,000, Orange County with 22 per cent and Ventura County with 24.7 per cent were the lowest. In addition to Lake County, the other counties with high percentages of expenditures on public welfare were Fresno, with 50.0 per cent; Tulare, with 48.8 per cent; and Butte, with 48.6 per cent. They were followed in turn by Stanislaus, Sutter, Alameda, and San Bernardino counties.

In view of the foregoing, it is obvious that if the selected measurement is at all valid as a first predictor of educational need, there are great disparities between counties. And presumably they would be indicative, to some extent, of differences between districts maintaining junior colleges. Unfortunately, as further discussion will show, current measures of educational need are so crude and unsophisticated that they cannot be included in state support programs. This fact can only serve to illustrate the urgent need for developing adequate measures.*

Equalizing Fiscal Ability of Districts

In one section of Guideline II we maintained that the quality of educational opportunity can be approximated at some first level of concern by equalizing fiscal ability of school districts. While it is hoped that more would be accomplished in terms of finding a suitable measure that could be equated with educational opportunity, we are perfectly willing to concede that such an achievement may have to await a future analysis. This is not cause for worry, however, for the fiscal ability measure has served admirably in the past as a starting point for making comparisons between school districts and as a basis for determining the quality of the educational program.

One way of examining the California Support Program in the terms put forth in Guideline II is by observing the differences in property valuation per ADA among the districts. This segment of the study has been limited to junior college districts because of the difficulty of obtaining comparable data in relation to unified and high school districts maintaining junior colleges. We have utilized data from the 1964-65 school year.

The mean property valuation of all junior college districts operating in 1964-65 was $161,480 per ADA. This figure, however, is grossly inflated because of the inclusion of newly established districts. Thus, we felt that more accurately interpretable data could be obtained if newly formed districts were deleted from the listing. We recognized, too, that because newly established districts have very few students, their valuation per ADA usually strikes astronomical proportions. Moreover, this situation is further complicated by the fact that in their early development, newly established districts face problems related to increased costs of operation. As a result of all these factors, we deleted from our analyses all districts which had not been in operation two years previously. This reduced the number of districts from 55 to 41 but provided a more meaningful set of data which might be used to examine the differences in property valuation between districts. (The complete listing of property valuation and some other data for this group of 1964-65 districts operant in 1962-63 may be found in Appendix C.)

The mean property valuation per ADA for the group of districts mentioned above was $118,948—a substantial difference from the previous mean which included newly formed districts in the data. Valuations ranged from a high of almost $400,000 per ADA in Coalinga to slightly less than $31,000 in Yuba—that is, the wealthiest district in the State had more than 10 times the resources available in the poorest district of the State.

In order to further analyze the impact of differing property valuation among districts, two groups of California junior college districts were selected for comparison purposes. (From the list of districts in Appendix C, the ten districts with the highest property valuation per ADA and the ten with the lowest property valuation per ADA have been selected.) The group of "high" valuation districts ranged in their adjusted assessed valuation per ADA from slightly more than $146,000 (Kern) to almost $400,000 (Coalinga). Valuation of the ten poorest districts ranged from almost $31,000 per ADA (Yuba) to almost $71,000 per ADA (Orange Coast). For each of the two groups of districts the total general and special purpose tax rate was selected and a mean was determined. The mean tax rate for the high valuation districts was 3646; the *mean* for the low valuation districts was .4338. (See Table 5-3.) There is no question that "low" valuation junior college districts are required to put forth a greater effort to provide educational services. Does this greater effort result in comparable educational services? While the question of comparability of educational services is difficult to determine, we will again select the measure of total current expense per ADA as a useful proxy. The high valuation districts had a mean TCE per ADA of $657.80, while the low valuation districts spent only $551.10 as a mean. While the high valuation district have a tax rate of about seven cents less per hundred dollars of assessed valuation, they spend over a hundred dollars more per student in average daily attendance. Thus it is evident that there are great disparities between junior college districts both in the wealth available to them and the effort which they must put forth for educational purposes.

---

*In Appendix B we have compiled some selected data on California counties for the year 1960.

The data presented should serve to highlight our main thesis: Guideline IA leads to an improbable situation—it is unrealistic to assume that junior college districts of relatively comparable locally available fiscal resources and relatively comparable educational requirements can be erected in California.

The degree to which equality of educational opportunity (as proxied by total current expense per ADA) was achieved in California junior colleges was the subject of further analysis. To see to what extent the expenditure of junior college districts could be "predicted" when only the valuation of the districts was known, data were compiled on the adjusted assessed valuation per ADA and on total current expense per ADA. We hypothesized that to the extent that property valuation alone predicts the total current expense of the district, the State Support Program is not working as it should in assisting to maintain equality of provision. If the Support Program were working well, it would tend to weaken the relationship between wealth and expenditure—that is, there would tend to be almost a chance relationship between wealth and expenditure and school district expenditure would be more readily attributable to other factors such as the educational needs of the district.

Before we discuss the statistical results produced from the data, a brief description of the statistical model and the assumptions behind it are in order. We might have simply derived a correlation coefficient showing the nature of the relationship between wealth and expenditures in the junior college districts. The correlation coefficient, however, expresses the relationship between the two units in a form which is not as usable as we would like. In consequence, we utilized a simple regression model, for, by using this model, we could try to determine the straight line which best approximated the available data. In brief, we attempted to plot the data for each district in terms of a horizontal and a vertical axis, for, through this method, we could then determine the "line of best fit." The regression line was in the form $y = bx + c$, where c was the constant term, indicating the place where the line crossed the vertical axis. The constant term of the equation provided an indication of the statistical minimum standard of current expenditure throughout the districts of the states irrespective of property valuation.

The regression coefficient (b) expressed the slope of the line in terms of change in the dependent variable associated with a unit change in the predictor variable. In this case, the regression coefficient expressed the dollar change in total current expense associated with each dollar change in property valuation in the statistical model. For example, a regression coefficient of .0005 in this model would indicate that a change of .05 mills in the total current expense per ADA is associated with each change of one dollar of property valuation. Or, to state the example differently, if district A has a valuation per ADA that is $1,000 greater than district B, there is a strong tendency for district A to spend 50 cents more per pupil. The correlation coefficient (or the multiple R) of the regression equation gave an indication of the dependability of this relationship. The value of R gave an indication of the extent to which this line "fits" the data.

The results of the computer run were most interesting.* When the data were plotted in terms of the two variables, the computer was "asked" to determine the straight line that provided the best approximation of the data. The line crossed the vertical axis at $468.04 and rose vertically to the right at the rate of $1.38 for each increase of $1,000 in property valuation. (See Figure 5-1.) The dependability of the relationship was quite good. The correlation was .8424, implying a coefficient of determination of .7198. In other words, 72 per cent of the variation in expenditure was "explained" by property valuation. Thus, only 28 per cent of the variation in expenditure was left to be "explained" by all other factors including the state Support Program. This implies a certain degree of ineffectiveness in the Program as related to the way it functions in equalizing educational opportunity in junior colleges.

Several other conclusions may be drawn from these data. It seems important, for example, to note that the minimum total current expense irrespective of property valuation is $468.04—it appears inappropriate for a school district to spend below this level notwithstanding its wealth or the aspirations of the communities for education. It should be pointed out, however, that this is total current expense per ADA for all students, not just resident non-adults. Perhaps, based upon the student population indicated, this is a dollar expenditure representative of a "minimum adequate program."

Now, let us examine the districts which we have identified previously as having valuations of $30,000 per ADA, $190,000 per ADA, and $300,000 per ADA. The predicted total current expenses of education for these districts are $509.44 per ADA, $730.24 per ADA, and $882.04 per ADA, respectively. This information simply serves to reiterate the point that has been made repeatedly: financial inequities exist in the system with respect to the manner in which education is provided for in districts of differing wealth.

The question arises as to how these relationships compare with those existing in districts in the period 1959-60 (five years earlier). In order to render this analysis

---

*Data upon which this analysis were based may be found in Appendix C.

Table 5-3

MEAN GENERAL PURPOSE TAX RATE AND TOTAL CURRENT EXPENSE OF EDUCATION PER ADA-10 "HIGH" AND 10 "LOW" VALUATION (PER ADA) JUNIOR COLLEGE DISTRICTS, 1964-65

	General Purpose Tax Rate, Mean	Total Current Expense of Education, Mean
10 High Valuation Districts	.3646	657.8
10 Low Valuation Districts	.4338	551.1

useful for comparative purposes, we again deleted districts which had not been in operation two years previous to 1957-58. In this case, the number of districts was reduced from 25 to 23. Comparative data from the two regression analyses are presented in Table 5-4.

It is interesting to note that according to Table 5-4, there is very little difference in the constant term of the regression analysis from 1959-60 to 1964-65. To be concise, the minimum statistical level beyond which districts did not spend, irrespective of their wealth, remained about the same. Another interesting observation from the data is that the regression coefficient (converted into dollar change per hundred dollars in property valuation) was slightly larger in 1964-65—the statistical relationship showed a stronger correlation between wealth and the measure of expenditure in 1964-65 than five years earlier. If the assumption is that the State Support Program should negate the strength of the relationship between these two variables and make it equally easy for a poor district to afford a first-rate program as a wealthy one, it can be said with some assurance that there has been no noticeable improvement in the equity criteria over the five-year period. In fact, the contrary is suggested, for there is a strong possibility that the system is operating in a less equitable maner than five years previously.

Table 5-4

COMPARATIVE DATA FROM REGRESSION ANALYSES OF SELECTED JUNIOR COLLEGE DISTRICTS IN 1964-65 AND 1959-60

	1959-60	1964-65
R	.7698	.8484
R^2	.5926	.7198
Regression Coefficient (x 1000)	$1.11	$1.38
Constant Term	$472.19	$468.04

GUIDELINE III. STATE SUPPORT FOR JUNIOR *COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH ENCOURAGES THE PROVISION OF EDUCATIONAL SERVICES TO POST-HIGH SCHOOL STUDENTS IRRESPECTIVE OF AGE.*

Discussion of Guideline III

Guideline III outlines the prinicple that junior college finances should be allocated in a manner which encourages the provision of educational services to post-high school students regardless of their age. The purpose of the following discussion is to determine whether the present Foundation Program conforms to the tenets of this Guideline.

In most of its features, the California State Support Program does reflect general agreement with Guideline III. However, in one most important instance, there is an aspect of the Foundation Program that runs counter to the Guideline—the manner of State support of the defined adult. The data show that the defined adult, (a person over 21 years of age enrolled for fewer than 10 hours of classwork), receives less State support than other students. In fact, a different foundation amount is used for this category of students: the allotment to "adults" is $490. Moreover, a ceiling is placed on the amount of aid a district can receive, ($230) per ADA of defined adult, even though the district may qualify for more than that amount. No ceilings are imposed on "regular students" (residents). The result of this arrangement is that the State provides 33.2 per cent of the cost for regular students and only 26.1 per cent of the cost for "adults."

The State undoubtedly discriminates in its financial support of the defined adult. The question to be asked next is, "Is this discrimination on the basis of age, or does it cost less to meet the educational needs of defined adults than it does those of other students?"

The distinction that seems relevant here is between graded and ungraded classes. First, are significant numbers of defined adults in ungraded classes, and second, do ungraded classes cost less? Adults comprise 87 per cent of the ADA in ungraded classes. However, this is a somewhat misleading figure and cannot be used as a basis for dismissing demands for increased support for adults. Enrollment in non-graded classes is relatively small and, while the bulk of the students enrolled in non-graded classes are "adults," only 25 per cent of the "adult" ADA are in non-graded classes. The remaining 75 per cent of the "adults" are in graded classes.

In answer to the second question, we have found that it costs considerably more for junior colleges to offer graded classes than ungraded ones—indeed, according to data obtained from the Bureau of Apportionment, graded classes cost 34 per cent more than ungraded classes. How, then, does this affect the total cost of defined adults? The State provides 7.2 per cent more support for regular students than for adults. But, classes for adults cost only 4.3 per cent less than those for regular students. This discrepancy may even be greater than the 2.9 per cent indicated by these figures, for the nature of the foundation causes more discrimination in poorer districts than in wealthy ones. The poorer districts may qualify for more than $230 per ADA of defined adult, but because of the ceiling mentioned above, they receive only that amount. In addition to that, wealthy districts that qualify only for basic aid receive the same amount for the defined adult as for "other than adults" ($125 per ADA for each).

Therefore, it is the district least able financially that is subject to the greatest discrimination between those defined as adults and regular students in State Support programs. This discrimination becomes even more untenable when one recognizes the fact that there is more than cost involved: the California Support Program discriminates against some of its citizens on what seems an arbitrary basis—merely because they are over 21 years old and are enrolled in fewer than 10 hours of classwork.

GUIDELINE IV. STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH IS PREDICTABLE, DEPENDABLE AND RELATIVELY STABLE SO THAT LONG-RANGE PLANNING IS ENCOURAGED. MOREOVER, SUPPORT PROGRAMS SHOULD BE PRESENTED IN A MANNER WHICH IS SIMPLE, CONCISE AND COMPREHENSIBLE.

Discussion of Guideline IV

Unfortunately, the history of the present Foundation Program is not one of predictable or stable development. Changes in the foundation amount, the manner in which "adults" are treated (e.g. whether or not to include them in the ADA figure used to determine district wealth), and in the use of previous or current years ADA figures, have added up to a confusing picture on the basis of which no district could possibly hope to determine what might be expected in the future. While recognizing that changing needs necessitate changes in the specifics of any foundation program, the formulas which have been used in California in the past have simply not been designed with sufficiently flexible provisions to allow for logical and predictable changes.

With respect to the present Support Program, there is an unduly heavy reliance upon local financial support, and, property taxes are the prime sources of school district revenue. Unfortunately, the alleged benefits of the property tax—that they provide steady and predictable income—are sometimes not evident because of other complicating factors.

A major flaw in the property tax which affects its stability is the fact that the property tax is one of the few taxes utilized today in which the citizen has an opportunity to express his desire for goods in the public sector of the economy. Thus, citizens who are disillusioned with taxes, *generally*, are frustrated in not being able to express these views except in property taxes. And, even among property taxes, one degree of freedom is removed by the authority granted most municipal governments to establish their own rate. Thus, the school districts constructed as they are by statutory maximum tax rates are dependent as are no other government agencies, upon the whims and fancies of a frustrated populace. A major problem resulting from property owners' refusal to tax themselves is illustrated by the fact that in California when communities refuse to vote an increase in their property taxes, the tax rate reverts to the earlier statutory rate. We have here, therefore, a classic example of the instability of the major local current Support Program and the evident inability to support public education. Moreover, the stability of the property tax is jeopardized, to some extent, by the unevenness of assessment practices throughout the State.

In summary, the property tax, because of its status in the total tax picture, is not consistently stable or reliable or predictable in yield and, consequently, does not meet the basic Guideline regarding stability of income for school districts.

As for simplicity, the present program, with its defined adults, $490 foundation programs based on previous year enrollment (with $230 maximums based on current year enrollment), politically motivated flat grants, required periodic recalculations of various categories of ADA figures, etc., cannot hope for "a place in the sun."

GUIDELINE V. AND, STATE SUPPORT FOR JUNIOR COLLEGES SHOULD BE ALLOCATED IN A MANNER WHICH WILL ENCOURAGE EFFICIENT UTILIZATION OF RESOURCES ON THE PART OF SCHOOL DISTRICTS.

Discussion of Guideline V

It is very difficult in the California junior colleges of today to determine whether, or to what extent, available financial resources are being utilized efficiently. We are not able to evaluate the efficiency of individual programs or sub-programs of junior colleges. One reason for this is the fact that cost data is not available on an individual program basis. A second reason why it is difficult to determine the efficiency of resource utilization in California junior colleges is that there are generally no quantifiable educational standards established as reasonable expected outcomes of junior colleges or of specific junior college programs. The third major reason why it is difficult to evaluate resource utilization in junior colleges is that there is a paucity of available research on the effect of various community factors, including the nature of the student population, upon educational outcomes. A state support program should encourage the efficient utilization of resources by requiring school districts to provide the kind of data and information required to judge efficiency.

With respect to the accounting function, it should be noted that present school accounting procedures provide information as to the costs of objects or of performing various functions within the school. Thus, while information is available in the function-object oriented budget, as to costs of administration, instruction, maintenance, etc., the budget instrument does not provide data on the total cost of specific instructional programs. Yet, these data are essential in order to be able to examine the relationship of financial expenditures in schools to the educational outcomes which an interested public may reasonably expect to be achieved from such expenditures.

"Program budgets" would provide the necessary cost data required for rational administrative decision-making, they would provide information about the costs of individual programs and would assist in making the decisions as to how resources might be utilized within the educational institution in order to produce the maximum desirable education within the constraints of a given total fiscal resource. However, data on the cost of junior colleges and of individual programs are not sufficient if one is to determine whether resources are being utilized to their fullest in California junior colleges. We must also develop some way in which to measure the product or educational outcome of these colleges.

There has been no systematic attempt to provide satisfactory measures of the educational outcomes of California junior colleges. This is not surprising, for it is a difficult endeavor. There are those who might attempt to judge the junior colleges by the number of transfer students they provide and how successful these students are at the state colleges and the University of California. There are those who might attempt to judge the junior college by the number of students who complete the two-year program or by some measure of student academic achievements. Perhaps even more important would be a measure of job success of the junior college students. There is no single outcome measure of an educational institution which is a satisfactory indicator of the job that it is doing. While we are among the first to agree that no simple measure of outcomes is available, there is no reason why there shouldn't be an attempt to derive a measure or series of measures which, to some extent, may be indicative of the outcomes produced by California junior colleges. The educational enterprise has, for too long, gained public support on the pure and simple basis that "education is good." It is high time that the junior colleges of California showed the way to other educational institutions at other levels and, indeed, to the nation as a whole in evaluating its own products. We are not suggesting that this can be done immediately, for such a task is clearly impossible at this time.

Part of the reason why such little progress is generally made on the identification of educational outcomes is that spectre of local home rule has so plagued junior college administrators and local boards everywhere that any attempt on the part of state government to invoke uniform standards or criteria for measurement, (where the local units have been remiss in establishing standards of their own), have generally been met with shrieks of dismay and cries deploring "big government." It is important for the continued public support of junior colleges in California that an attempt be made to identify measures of the educational outcomes of those institutions.

Outcome measures alone are subject to wide misinterpretation because, to a great extent, they are related to the nature of the student population which is being dealt with. Thus, there is a very real danger that public representatives and other officials will release data on educational outcomes purporting to make comparisons between school districts. This would be most unfortunate, for junior colleges differ in their student populations and they differ in the needs of their communities. In order to understand and maximize the efficiency of controllable factors, therefore, it is first necessary to identify the elements contributing to educational outcomes which are not subject to change. Thus, research needs to be performed to determine the socio-economic characteristics of communities and students and the relationship between these characteristics and the expected educational outcomes.

Once the uncontrollable factors were determined, (we cannot change the composition of our communities), it would be possible to measure the effect of each and then select the quantity and quality of factors within junior colleges which are subject to alteration or change by the junior college faculty and administration (such as student-teacher ratio, types of teaching arrangements, quantity and nature of non-teacher instructional programs, etc.) which maximize the educational outcomes. Such research is urgently needed.

As a part of this study, we have performed a first-stage systems examination of the relationship between financial inputs to schools, and socio-economic characteristics of communities as compared to the educational outcomes achieved in a selected sample of California junior colleges. While the number of districts used is relatively small and would classify the work as more of a case study than a serious statistical model, we feel that the work provides some insight into the kinds of relationships which we have maintained need to be explored further. The results of this study are reported in the next chapter.

Chapter 6

INPUT-OUTPUT RELATIONSHIPS*

The general purposes of this chapter are to examine the nature of relationships among (1) certain measures of financial support, (2) community characteristics, and (3) selected criterion measures in California public junior colleges. Specifically, we seek to examine the relationships between the financial inputs to a sample of California junior colleges and a set of criterion measures indicative of the products or outcomes of junior colleges. This will be done while controlling for differences in the characteristics of communities.

Sample

The sample of 15 colleges is taken from a sample of 18 California public junior colleges which are included in a nationwide research project financed by the University of Minnesota and the United States Office of Education (Cooperative Research Project #2849). The population for this nationwide research project consists of a carefully drawn representative stratified sample of 100 colleges.[1] Eighteen of the California junior colleges were included in this sample. We used the basic data collected as a part of the larger study and supplemented it by certain measures appropriate to this study including various financial measures. Since adequate and comparable financial data could not be gathered for three of the California colleges, the sample for this current study was reduced to 15.

Variables

Three categories of variables are considered. These variables (1) describe the nature of the district or community which each college serves, (2) give some criterion indications of the productivity of each college, and (3) indicate types and amounts of financial input.

---

*This chapter was prepared jointly by Vernon L. Hendrix and the author. Dr. Hendrix is an Associate Professor of Education at the University of Minnesota.

District Variables

In connection with Cooperative Research Project #2849, 72 items of data descriptive of the college districts were collected. These consisted primarily of U. S. Census data and media research data. Fifty-two of these items pertained to the district or service area itself, whereas the remaining 20 encompassed larger areas. An examination of the 52 district items for the sample of 100 colleges indicated that 14 basic dimensions existed. These 14 basic dimensions or characteristics of junior college districts can be approximated by 21 of the original set of 52 variables. To these 21 variables Adjusted Assessed Valuation per ADA was added for the sample of 15 California colleges, as an indication of district wealth or ability to finance an educational program.[2]

It is primarily the time and expense involved in gathering the data that limited the sample for the current study to California colleges that had been included in the national project. The data discussed in this report required approximately one and one-half years to collect and the cost ran into thousands of dollars.

Districts were defined, for data collection purposes, by taking the closest geographic approximation to the actual district using the three primary types of areas for which census data are reported (Counties, Cities, and Census tracts). Appendix D lists the 15 colleges and the "districts" for data purposes in 1950 and 1960. The simplest case is exemplified by Ventura College, where the district is county-wide and the data was gathered for Ventura County. More complicated situations are represented by Los Angeles City College and Los Angeles Valley College, which are represented by census tracts. Since both of these colleges are actually in the same district, a service area was defined. This was accomplished by examining the number of high school graduates going to the various Los Angeles Junior Colleges. A high school attendance area was "assigned" to a junior college if the plurality of graduates attending junior colleges went to that junior college. These attendance districts were then approximated with census tracts.

Community data were projected to 1964 on a straight line basis using 1950 and 1960 data. The purpose of this was to make the community data as comparable as possible with the outcome measures which were collected in the 1964-1965 academic year. The finance data also pertain to 1964-1965. In a few situations a straight line projection yielded negative values. This was due to extremely rapid changes on certain items between the two census periods. Where this occurred the straight-line method was abandoned and the percent change from 1950 to 1960 was assumed to continue from 1960 to 1970. The 1964 point on this line was then selected.

The 22 variables describing the districts are indicated in Table 6-1. Where convenient, the code symbols, ***e.g.***, D1, will be used in later discussion of these and other variables.[3]

Criterion Variables

Seven measures were obtained from the colleges which were used to indicate the "output" from the college. These were calculated from data supplied by the colleges and are listed in Table 6-2. These give one measure of the college's productivity in the technical-vocational area (C1), three measures of its performance in primarily traditional academic areas (C2, C3, and C6) and three measures which give some indication of the non-voluntary "drop-out" rates (C4, C5, and C7) of the colleges.

These criterion measures are rather gross unbiased descriptions of what dispensations are made of student "inputs" by the colleges. These criteria do not provide answers to questions involving the relative desirability of institutional objectives, e.g., how many students should transfer, complete programs, etc., but are descriptive only. They must suffice until more precise and appropriate measures of educational outcomes can be developed. Since the measures were not obtained through actual follow-up procedures but are cross-sectional in nature (referring to the 1964-1965 academic year), a certain amount of error is present.

Finance Variables

Three measures of financial inputs are described in Table (6-3). The first of these gives an indication of the instructional expenditures (F1) whereas the last (F3) gives an estimate of non-instructional expenditures, e.g., administrative services, special services, counseling, guidance, equipment, supplies, etc., mostly related to educational programs. The second variable (F2) gives an estimate of gross financial input.

Procedure and Results

Multiple linear regression is an appropriate model to describe the relationships among the variables. A stepwise multiple regression computer program was used for the analyses. This program selects, from among the set of independent variables, the one which best predicts the dependent variable. It computes a regression equation and then selects from among the dependent variables not in the equation the one which will contribute most toward the increased prediction of the dependent variable. This procedure continues until an added variable fails to improve the prediction by a specified amount.

Table 6-1
DISTRICT VARIABLES DESCRIPTIVE OF BASIC COMMUNITY CHARACTERISTICS FOR FIFTEEN CALIFORNIA PUBLIC JUNIOR COLLEGES

Code Symbol	Variable	Mean	Standard Deviation
D1	Per cent families with income less than $3000 per year	10.7	4.8
D2	Per cent families with income from $4,000-$4999 per year	7.5	3.3
D3	Per cent families with income greater than $6000 per year	64.0	9.2
D4	Per cent adults with 8 years or less of schooling	17.2	6.3
D5	Per cent adults with at least 4 years of high school	27.0	3.9
D6	Per cent adults with at least 4 years college	8.7	4.2
D7	Ratio of rental to owner occupied housing units	75.5	51.8
D8	Per cent males widowed and divorced	4.2	1.3
D9	Per cent work force unemployed	10.6	4.1
D10	Per cent population married	47.2	2.5
D11	Per cent population non-white	8.5	11.9
D12	Per cent housing units vacant plus percent with more than one occupant per room	15.2	5.1
D13	Per cent population aged 20-34 years	17.9	3.4
D14	Per cent population aged over 35 years	52.0	11.7
D15	Per cent employed in service occupations	8.6	1.8
D16	Per cent employed as operatives	14.3	4.9
D17	Per cent employed as professionals	13.2	5.3
D18	Per cent employed in private occupations	2.3	.7
D19	Per cent employed in clerical occupations	16.5	9.3
D20	Per cent employed as farmers or farm managers	10.0	4.3
D21	Population of district (with loge transformation)*	11.9	.9
D22	Adjusted assessed valuation ($) per average daily attendance	157210.7	87238.5

*This transformation was selected to compensate for the highly positively skewed distribution of this variable.

Table 6-2
CRITERION VARIABLES FOR 15 CALIFORNIA PUBLIC JUNIOR COLLEGES

Code Symbol	Variable	Mean	Standard Deviation
C1	Per cent technical and vocational enrollments* completing program and/or obtaining relevant employment	15.1	13.9
C2	Per cent enrollment completing AA degree	5.4	2.0
C3	Per cent enrollment transferring to a senior institution	5.3	3.2
C4	Per cent enrollment placed on probation during academic year	13.5 13.5	5.1 5.1
C5	Per cent enrollment dismissed from college during academic year	6.3	3.6
C6	Per cent enrollment completing BA degree after transfer	3.4	1.9
C7	C4 plus C5	19.8	7.1

*Enrollment figures for denominators refer to Fall, 1964. Numerator figures refer to entire 1964-1965 academic year except for C6 which was estimated by multiplying the proportion of transfers that completed a degree (provided by colleges) by the proportion of the enrollment transferring.

Table 6-3
FINANCIAL VARIABLES FOR 15 CALIFORNIA PUBLIC JUNIOR COLLEGES

Code Symbol	Variable	Mean	Standard Deviation
F1	Total instructional costs per ADA	486.7	72.7
F2	Total current expense for education per ADA	669.2	150.0
F3	Total current expense for education minus total instructional costs and transportation costs per ADA	170.0	82.8

Three sets of regression analyses were computed. In the first set of analyses the criterion measures were each predicted by the 22 district variables. This was done to estimate the extent to which the variation on these measures from college to college could be accounted for by differences in district characteristics. The results of these analyses are indicated in Table 6-4.

In order to avoid over-estimating the strength of the relationship the step in the regression program with the lowest F ratio was selected as the stopping point in each analysis. Graphically, the selection of the step with the lowest F ratio may be thought of as that point where the increased accuracy of prediction intersects the increasingly higher F ratio required for statistical significance. This procedure also obviously avoids any over-estimation of the statistical significance or strength of the relationship among the variables.

As indicated in Table 6-5, this resulted in equations which contained from one to six predictor variables. Even with our concern for not over-estimating the relationship, one of the resulting equations was significant at the 1 per cent level, five were significant at the 5 per cent level, and one failed to reach the 5 per cent level of significance. This means that there were only 1, 5 and 5 possibilities out of 100 that such relationships could have been achieved by chance alone. Further evidence of the creditability of this procedure was obtained by comparing these multiple correlation coefficients to those obtained by predicting the same criterion measures from the first 21 district variables (Adjusted Assessed Valuation was not available for non-California colleges), in the larger sample of 100 colleges. Very similar multiple correlations were obtained. This indicates, to some extent, that the relationships which exist between the district variables and criterion measures for a representative sample of public junior colleges in the United States is quite similar to the relationships among these variables in the sub-sample of California Public Junior Colleges.

Analysis of Table 6-4 which is graphically summarized along with other data in Figure 6-1, indicates that approximately half of the variation (variance in the statistical sense) on the criterion measures is attributable to district characteristics. This amount of variation can be thought of as relatively fixed, since it is not easy to change the nature of a district. This could, of course, be done by changing district boundaries and incorporating into districts areas differing in social and economical characteristics. But as we have pointed out in the previous chapter, this would be an artifice to which no respectable college would resort and we cannot depend upon redistricting to bring about equality of educational opportunity. Instead, it is necessary to recognize the extent to which each of

Table 6-4

PREDICTION OF CRITERIA FROM DISTRICT VARIABLES FOR FIFTEEN CALIFORNIA PUBLIC JUNIOR COLLEGES

Predictor Variables	Dependent Variable						
	C1	C2	C3	C4	C5	C6	C7
D1		—.04					
D2			—.57				
D3			.11				
D4				—.44			
D7		.03					
D8	—9.13				1.79		
D10		.52					
D11					.20		
D12						—.24	
D13	2.72	—.25					
D14	.73						
D15	6.86					.38	
D16							.77
D17					.23		.46
D18					—3.26		
D19			—.19				
D20			1.02				
D21			2.44				2.73
D22*			—.01				
Constant	—91.78	—16.27	—31.32	21.06	1.79	3.80	—29.77
Multiple R	.77	.57	.89	.55	.77	.63	.75
Multiple R^2	.59	.32	.80	.31	.60	.39	.56
Significance	5%	NS	1%	5%	5%	5%	5%

*Regression coefficients for variable D22 have been multiplied by 1000 to conserve space.

these uncontrollable variables contributes to the nature of the educational outcomes produced. If any change is desired in the criterion measures, that proportion of the variation not explained by district characteristics would be the obvious area at which to look.

The strongest relationship between district variables is found with the per cent of students transferring to senior institutions (C3). Approximately 80 per cent of the variation is accounted for in this relationship. Therefore, any outside influence could result in very little change in this measurement. Students who come from junior college districts of high socio-economic status will transfer to senior institutions in far greater numbers than students from less fortunate districts. While we have evidence to show that changes in the available financial resources will equalize this situation somewhat, we do not know at this time what amount of increased resources are required.

In the case of probation rates, per cent completing BA degrees, and per cent completing AA degrees, a relatively smaller amount of variation is accounted for by district variables, therefore, leaving a larger amount of the variance on these criterion measures to be accounted for by other sources. For the remaining variables, approximately half of the variation can be accounted for by district variables leaving half to be accounted for by other means.

The specific contribution of particular district variables is not of direct importance to this study but it is interesting to examine a few of these relationships. In general, they are what a person familiar with California public junior colleges might expect. For example, per cent of population employed in service occupations is associated with higher per cent of technical and vocational students completing programs or receiving employment. Higher associate degree completion rates are found in districts with fewer low income level families. Higher transfer rates are associated with higher incomes, fewer lower level occupations, and more populous districts. Higher probation and dismissal rates are found in more populous districts, with a greater proportion of employment in the operative and professional areas along with a smaller proportion of the population with fewer than eight years of schooling (reflecting industrialization) and a greater proportion of non-white population. The association of higher BA completion rates with greater percentages employed in service accupations and the presence of a greater proportion of less desirable housing units can be explained by the extremely desirable nature of upward social and economic mobility which characterizes certain segments of the population.

Having "explained" certain amounts of the variation in educational outcomes in California junior colleges by a set of district characteristics which must be regarded as relatively unchangeable, it is reasonable to ask what else might help to explain the remaining variation. The nature and type of financial input is often thought to influence educational outcomes. And, if it were possible to determine the extent of the relationship between financial inputs and educational outputs, we might construct a state support system which, in part, compensated for the effects of uncontrollable characteristics of communities.

Before attempting to assess this potential relationship, one must ask to what extent are financial inputs determined by district variables? With any minimum foundation plan of financing, a certain level of input is guaranteed. Variation above (or in a few cases below) this results primarily from district initiative. Therefore, in the consideration of financial inputs, one must realize that a given proportion of the variable is non-functional, in the statistical sense, since it is common to all of the cases.

In order to assess the extent to which district variables account for variation in financial inputs from college to college, a similar type of regression analysis was computed for each of the three financial variables. The results of this analysis are presented in Table 6-5. The procedures used in selecting the appropriate equation were the same as those used in the analyses reported in Table 6-4.

Table 6-5 indicates that quite a large proportion of the variation from college to college in the three financial input variables is accounted for by district characteristics. Again, the nature of these relationships is quite familiar. Greater inputs are generally associated with more wealthy districts, with less populous districts, higher family incomes, greater proportion of owner occupied units, more desirable housing units, etc. These results highlight the inequalities in financial ability between which were discussed in Guideline II of the previous chapter. Thus, we will not spend further time reiterating the obvious.

Finally, to assess the extent to which variation in the criterion measures are related to variation in financial inputs, residual measurements on the criterion measures

Table 6-5

PREDICTION OF FINANCE VARIABLES FROM DISTRICT VARIABLES FOR FIFTEEN CALIFORNIA PUBLIC JUNIOR COLLEGES

Predictor Variable	Variable	Regression Coefficients for Dependent Variables F1	F2	F3
D1	Per cent families with income less than $3000 per year		—14.14	—5.63
D2	Percent families with income from $4000-$4999 per year			—4.34
D3	Per cent families with income greater than $6000 per year		—5.66	
D4	Per cent adults with 8 years of schooling	5.21	13.47	3.35
D7	Ratio of rental to owner occupied housing units		9.04	—.30
D9	Per cent work force unemployed	—7.35		
D12	Per cent housing units vacant plus percent with more than one occupant per room	—4.50	8.1	
D16	Per cent employed as operatives	4.32		
D18	Per cent employed in private occupations			34.35
D21	Population of district (with Loge) transformation)		—38.49	—47.24
D22*	Adjusted assessed valuation ($) per average daily attendance	.53	.00	.57
Constant		398.21	1192.84	618.89
Multiple R		.88	.95	.96
Multiple R²		.77	.90	.92
Significance Level		1%	1%	1%

*Regression coefficients for variable D22 have been multiplied by 1000 to conserve space.

were obtained from the first analysis. This was done by subtracting from the actual outcome measurements for each college the measurements that might be "predicted" from the statistical equation. Mathematically, this has the effect of removing from the variation of a criterion measure that amount of variance which can be attributed to differences in district characteristics. These residual measurements were then used as criterion measures to be predicted from the three financial input variables. This, in effect, assessed the extent to which the remaining variation in the educational outcome measures can be related to differences in financial input.

The analysis of residual measurements (representing that proportion of the original criterion measurement variance not accounted for by district characteristics) is reported in Table 6-6. In only two cases are the results statistically significant at the 5 per cent level. Variables C6r (per cent earning BA) and C7r (sum of percent probation and dismissal) appear to be largely unaffected by differences in financial inputs. Variables F1 and F2 (instructional and total expenditures) do not contribute at all to the prediction of variable C6r. To some extent the lack of relationship for variable C7r, sum of C4r - per cent probation and C5r - per cent dismissed) is explained by the differing relationships for C4r and C5r separately. Instructional expenditure associated with more students being placed on probation) but negatively with dismissal rates (more instructional expenditure associated with fewer students being dismissed). Non-instructional expenditures are similarly related to variables C4r and C5r (more expenditure is associated with more probationary students but fewer dismissals). Total expenditures are related inversely to variables C4r and C5r. (More gross expenditures are associated with fewer students being placed on probation but more students being dismissed.) It is perhaps important to observe that instructional expenditures are more strongly associated with variables C4r and C5r than are total expenditures and non-instructional expenditures.

A significant relationship exists between variable C3r (per cent transferring) and financial input. Increasingly, instructional and non-instructional expenditures are associated with lowertransfer rates whereas total gross expense is associated with higher transfer percentages. This relationship, while accounting for a large proportion of the residual variance, is of less importance when it is remembered that 80 per cent of the original variance had already been accounted for by district variables. The existence of a significant relationship, however, indicates that it would be possible in a larger sample(or using all junior college districts of the state) to determine dollar amounts which compensates for the effect of stipulated differences in district characteristics towards the achievement of this educational outcome (transferring). To put it simply, while money cannot buy everything, it appears that conventional differences in financial inputs can compensate in measurable degree for socio-economic differences between communities.

Table 6-6

PREDICTION OF CRITERION VARIABLE RESIDUALS FROM FINANCE VARIABLES FOR FIFTEEN CALIFORNIA PUBLIC JUNIOR COLLEGES

Variable Predictor	Regression Coefficients for Dependent Variable Residuals						
F1	—.22	—.06	—.05	.16	—.08		.03
F2	.12	.05	.03	—.09	.06		—.05
F3	—.06	—.05	—.03	.03	—.05	—.01	.02
Constant	35.68	2.96	7.48	—21.51	7.09	.94	1.81
Multiple R	.46	.52	.76	.75	.46	.30	.26
Multiple R²	.21	.27	.58	.56	.21	.09	.07
Significance Level	NS	NS	5%	5%	NS	NS	NS

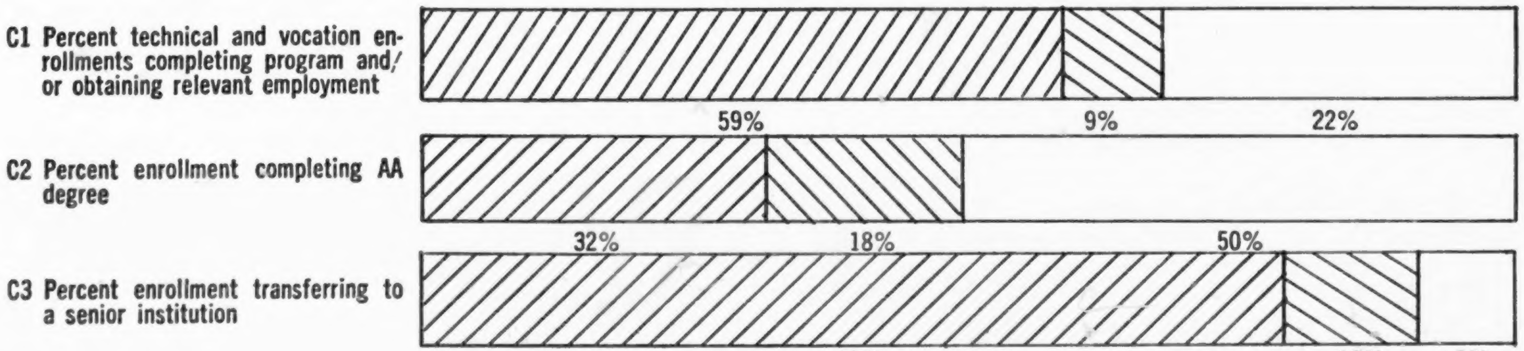
SUMMARY

For a sample of 15 California public junior colleges 22 variables which account for the major differences from district to district were selected. Seven criterion variables were obtained from data supplied by the colleges. These criterion variables give indications of what happens to students, in a statistical sense, who ae enrolled in the various colleges. Three indicators of financial input to the colleges are included. These represent dollar inputs per ADA for instructional aspects of the educational programs, for non-instructional aspects of the programs, and for gross financial input for all purposes. Step-wise, multiple regression analyses were conducted to (1) estimate the extent to which district characteristics determined differences in the criterion measures for the colleges, (2) the extent to which district variables account for differences in the financial variables across the sample of colleges, and (3) the extent to which variation in the criterion variables not explained by differences in districts can be explained by differences in financial inputs.

Analysis of the data supports the following general observations which are also charted in Figure 1:

1. Given the extent to which the sample of colleges differ on the criterion variables, approximately half of this variation can be explained by the extent to which the college districts differ in socio-economic characteristics. These district characteristics seem to be most effective in the determination of the percent of students transferring to senior institutions (80 per cent of the variance) and less effective in the determination of the per cent of students completing AA degrees, being placed on probation, and completing BA degrees—approximately one-third of the variance.
2. The extent to which financial inputs differ among the colleges in the sample can be largely explained by differences in district characteristics—approximately nine-tenths of the variance.
3. After taking into consideration the extent to which criterion variables are related to district characteristics (by obtaining residual measurements), approximately three tenths of the remaining criterion variance can be attributed to variations in types and amounts of financial inputs among the sample colleges. Financial variables appear to be substantially related to the per cent of stulents placed on probation (39 per cent), moderately related to per cent completing AA degrees (18 per cent) and per cent transferring (12 per cent), and only slightly related to the other variables. In general, instructional expenditures seem to be more strongly related than other classifications of expenditures.
4. If there is an attempt to modify the educational outcomes of junior college districts to compensate for differences in uncontrollable district characteristics, such changes might be brought about by modifying the financial inputs to these districts. However, the bulk of the funds must come from outside the districts since nearly all of the current variation in financial input is already attributable to characteristics of districts.

Figure 6-1



FOOTNOTES

[1] The 396 colleges listed in the 1964 Junior College Directory (Gleazer, Edmund J. Jr., *Junior College Directory*, Washington, D.C., American Association of Junior Colleges, 1964.) and which were in operation in 1962 were classified according to geographic regions, size, curriculum, presence of evening classes, and several other factors including the ratio of full- to part-time students.

[2] The 14 basic dimensions and 21 selected variables were developed by the application of factor analytic techniques. Space prohibits the detailed description of the process in this chapter.

[3] It is not the purpose of this chapter to explain theoretically the nature of these basic district dimensions and variables. Readers interested in these aspects may examine the final report of Cooperative Research Project #2849.

Chapter 7

RECOMMENDATIONS FOR THE STATE SUPPORT PROGRAM

In this chapter we will present a set of alternate recommendations. Each alternative will be evaluated in terms of the appropriate Guidelines, and will meet standards established by these Guidelines to a greater or lesser extent. It is recognized that it is a seemingly impossible task to suggest a recommendation which satisfies all Guidelines. For the Guidelines themselves seem, at times, to be running at cross-purposes. This is readily understandable; there is no model system which can accomplish all desirable purposes equally well nor is it proper to expect that all purposes are compatible with one another.

ALTERNATE RECOMMENDATIONS

The selection of a recommendation from a set of alternatives involves a policy decision. We will not attempt to make that decision in this study as it seems to be more appropriately made at other levels of authority. Rather, we will present a discussion and description of each of the alternatives, an estimate of the cost of instituting the recommendation and in an evaluation section following the recommendations, some comparisons will be made between the alternatives with respect to the degree to which they seem to satisfy each of the Guidelines.

ALTERNATE PROPOSAL I

Same Foundation Program With Adults Enrolled In Graded Classes Included

1. Overview

This recommendation is the one which represents the least change from the existing system. The foundation program of $600 with the qualifying computational tax rate of 25 cents would be maintained; the $125 flat grant would be continued. As in the present plan, the yield from a tax rate of 25 cents, levied on the adjusted assessed valuation per ADA, represents the amount per student of the district contribution to the foundation. The difference between this amount and $600 is the state aid per ADA. This is multiplied by the number of students in average daily attendance to determine the total amount of state aid received by the district. Districts would continue to receive flat grant apportionments of $125 per ADA for non-district and non-resident students.

In this proposal, all of these features are unchanged. The only modification suggested is the inclusion of "graded" adults into the regular foundation program—that is, the ADA for students 21 years old or over who are enrolled in graded classes would be included in the regular foundation program. Those students presently defined as adults should be considered in two categories. The philosophical discussion of Guideline III clearly leads to the suggestion that two years of post-high school education should be provided through the junior colleges for all students, irrespective of age. Thus, we propose the inclusion into the regular foundation program of those students presently defined as "adults" and enrolled in graded classes. We feel that the distinction between graded and non-graded is far more important than that between students under 21 and students 21 and over.

2. Adults

We propose that the present support program for "adults" be discontinued. Graded adults would be included in the regular foundation program and districts would receive state aid for the adults in non-graded classes under this plan in the amount of a $125 flat grant for each such ADA. It seems reasonably obvious that where the graded students are removed from the "adult" category, the state no longer shares the same responsibility for financial support for the remaining group. The non-graded classes are not as centrally related to occupational upgrading, manpower training and the concommitant increases in state economic productivity. Thus, these courses, which fall primarily into the avocational category, do not require a high level of state support nor do they properly fall into the category of those educational opportunities for which the state must feel a mandate to provide equalization. In light of this, a flat grant seems appropriate. We have selected the $125 level because of the simplicity that would be introduced into the system if this group could be included for apportionment purposes along with non-district and non-resident students.

3. Cost Estimates

Cost estimates were made for this proposal on an individual district basis for all districts which maintained junior colleges in 1965-66. (See Appendix E, Table 2.) The calculations were based upon 1965-66 adjusted assessed valuation and on enrollment figures for the same year. The total dollar cost included the estimated amount derived by each district from the $125 flat grant for non-resident and non-district students. In order to have a basis for determining the possible increased cost of this program over the present one, state aid estimates were also made for the same group of 1965-66 districts but with the computations based upon the present support programs (Appendix E, Table 1).

In making the above estimate for state aid to junior college districts for 1965-66, (as well as those for other proposals), it was not possible to take into account all of the factors that in fact go into determining the extent of state support (e.g. the supplementary amounts given to junior college districts with ADA's of less than 1001). However, the figure we arrived at should be reasonably accurate.

The cost of the program presented in this alternative recommendation is $86,545,118. Using the same data, the estimated cost of the present state support program for junior colleges was $66,648,440. Thus, Alternate Proposal I would require a suggested increase in state aid to junior colleges in the amount of $19,896,678.

However, it should be noted that if this plan or any other plan were adopted, the indicated amount would certainly not be the total cost because of the tendency over the past few years for student populations of junior colleges to increase faster than adjusted assessed valuation. Therefore, districts are generally less wealthy each year than in the preceding one and qualify for a greater amount of state aid on the foundation program. For example, we found an increase in state aid for 1965-66 over 1964-65 of approximately $20 million. This increase was primarily accounted for by the relatively greater increase in ADA than in adjusted assessed valuation in 1965-66 as compared to 1964-65. Total ADA increased 21.3 per cent in 1965-66 as compared to an 11.5 per cent increase in adjusted assessed valuation. We would expect that an estimate of costs of proposed programs based on previous years' valuations and ADA is likely to underestimate the actual cost of the state aid involved by about $20 million.

It is important that we recognize that the increases in state funds available to junior colleges over the past years, as well as those proposed increases in future years, serve two separate and distinct functions. On the one hand, increased state funds assist junior colleges in meeting the increases in student demands. (There are additional students each year and the rate of student growth is faster than that of valuation.) On the other hand, hopefully, increased state funds will be available to provide a greater share of the total program in accordance with the prescriptions of the *Master Plan*.

4. Discussion

Let us examine in algebraic form the present program and the suggested change.

Where: $SA_{r,i}$ = State aid for regular students in the ith district.
V_i = Valuation in the ith district.
A_r = Regular ADA
A_g = Graded adult ADA

Then, the present foundation program for regular students is:

$$(1)\quad \frac{SA_{r,i}}{A_r} = \$600 - .0025\,\frac{V_i}{A_r}$$

or

$$(2)\quad SA_{r,i} = \$600\,.\,A_r - .0025\,V_i$$

The foundation program is not changed by this proposal, but merely increases the group for which the district receives aid on this program.

Thus:

$$(3)\quad \frac{SA_{r+g,i}}{A_r + A_g} = \$600 - .0025\,\frac{V_i}{A_r + A_g}$$

$$\text{or}\quad (4)\quad SA_{r+g,i} = \$600\,(A_r + A_g) - .0025\,V_i$$

$$(5)\quad SA_{r+g,i} = \$600\,A_r + \$600\,A_g - .0025\,V_i$$

When the state apportionment received by districts under the present and proposed plan are compared (Equation 2 and Equation 5), we note an increase in the proposed plan of $600 times the graded adult ADA ($\$600\,A_g$).

It should be noted, however, that this is not a total increase in state aid because the district had previously received aid for the same students on the graded adult program. Thus, by the nature of the program, wealthy districts received a $125 flat grant and less wealthy districts receive a $230 flat grant, with the remaining districts receiving amounts between these two figures.

The net increase in dollars per graded adult in average daily attendance is the difference between $600 and the amount the district would presently receive. Poorer districts gain $370 per each such student enrolled, but wealthy districts show a gain of $475 per each such student enrolled. Districts of wealth between these two groups show proportionate increases.

Thus, it is obvious that while this proposal contributes substantially to the achievement of the goal of an increased percentage of state aid (Guideline Ia) and to the extension of educational services to all students irrespective of age (Guideline III), it fails to assist in the provision of equal educational opportunities (Guideline II), and in fact contributes to and enhances the inequities in financial ability between junior college districts.

ALTERNATE PROPOSAL II

Same Foundation Program with a Lower Qualifying Tax Rate, Basic Aid Deleted.

1. Overview

The foundation program suggested in this alternate recommendation is similar to the present program. This foundation program remains at $600, but the qualifying tax rate is reduced to 23 cents. The yield from a tax rate of 23 cents levied on the adjusted assessed valuation per ADA would represent the amount per student of the district contribution to the foundation. The difference between this amount and $600 constitutes the state aid per ADA. This figure would then be multiplied by the number of students in average daily attendance to determine the total amount of state aid received by the district. The defined adult program would be continued as in the present foundation program. The $125 flat grant to each district for non-district and non-resident students would be discontinued.

2. Lower Qualifying Tax Rate

There has been strong feeling among many people associated with the junior colleges of California that one way of increasing the state share of the total expenditure of junior colleges is to decrease the qualifying tax rate in the regular foundation program. Decreasing the tax rate while maintaining the same foundation level would reduce the slope of the line representing the standard of effort and would include more districts on the equalization program. For example, if the mandated tax rate were lowered to 23 cents instead of the present 25 cents, the breaking point between the equalization program and the basic aid program as these terms are presently defined, would increase from the present $190,000 to $206,522. Thus, while it is true that lowering the tax rate increases the share of state aid, it also extends equalization aid payments to a greater number of junior colleges.

3. Eliminate Basic Aid

In any move leading to the lowering of the mandated tax rate with the foundation level remaining the same, it would seem appropriate to eliminate the basic aid provision (flat grant) as an unnecessary feature which contributes heavily to the inequities in the distribution of financial resources among districts. This is pointed out in Figure 7-1 in which we have plotted the total current expense per ADA of individual junior college districts on the same scale as the present foundation program. It is readily noted that when only the equalization aid portion of the chart is considered, there is almost a chance relationship (horizontal line) between the total current expense per ADA of districts and their wealth. However, at the point where the flat grant takes effect ($190,000 valuation), the increased resources available to the districts from the foundation program have a noticeable effect on the per pupil current expense of wealthy districts.

With a 23 cent mandated tax rate and no flat grant provision, the $600 foundation amount would be raised totally by school districts having an adjusted assessed valuation equal to $260,870. All districts below this level in valuation would be on the equalization program. Those districts having a greater valuation than this amount would raise an amount greater than the foundation amount at the required tax rate. In terms of the present valuation throughout the state, there are eight school districts that would not be on equalization and three additional districts that would be getting less than $125. The eight districts getting no aid are relatively rich with adjusted assessed valuations per ADA ranging from $408,621 to $267,786. Utilizing a 23 cent tax rate, the latter district can earn $615.90 per ADA, while the former would earn $939.83.

4. Cost Estimates

A cost estimate was prepared in line with this proposal. With a mandated tax rate of 23 cents, the total cost of the foundation program for regular students is $58,893,448. In order to obtain the estimate for total state aid, it is necessary to add the cost of the "adult" program and the cost of payments for non-district and non-resident students. When these costs are added, the total is $71,598,931 compared to a cost of the present program of $66,448,440. Thus, Alternate Proposal II requires additional state aid of $4,949,813 more than that required by the present program. As we have noted in the previous section, this does not represent the total increase in cost of the program because there are certain increases that will be attributed to rise in enrollment and changes in the wealth of districts.

ALTERNATE PROPOSAL III

Foundation Program With Flat Grant Incentive

1. Overview

In this proposal, the existing program with a foundation level of $600 and a mandated computational tax of 25 cents would be maintained. As in the previous proposal, the $125 flat grant provision (basic aid program) would be deleted.

The reasoning behind the deletion of the basic aid program in this proposal rests with understanding the function of the state in providing a minimum adequate program with a reasonable local contribution. The flat grant provision on a foundation program runs counter to this principle; it maintains that while a minimum adequate program is $600 for all districts below $190,000 in valuation, a minimum adequate program for which the state should be concerned, is something above that amount for districts presently on the basic aid program. Thus, functionally, the flat grant provision detracts from the intent of the foundation program.

Those defined as adults, non-residents or non-district students would be treated, for apportionment purposes, in the same manner as at present. Also, a flat grant incentive plan would be adopted.

2. Flat Grant Incentive

The state, through its support program, should provide financial incentives to school districts to go beyond the minimum standard of adequacy in attempting to achieve educational quality in the districts of the state. To achieve this purpose we propose a flat grant incentive program to be considered as an additional payment above the foundation. For each 10 cents of computational tax rate levied by a district above the 25 cents required by the foundation program, it will receive a $50 flat grant from the state. The school district has the option of determining the tax rate which it will require in order to maintain an educational program in keeping with the needs of its community. The district will receive the flat grant from the state government on a pro-rated basis determined by the amount of additional tax rate that it chooses to levy above that required for the foundation program.

To illustrate the point, let us examine a junior college district that has a valuation per ADA of $100,000 and a computational tax rate of 42 cents. The first 25 cents qualifies the district for inclusion in the $600 foundation program. The district contribution is $250 and the state aid is $350. The additional 17 cents, when applied to the valuation, raises $170. In addition, the district gets a $50 flat grant for taxing itself at 10 cents and an additional 7/10 of $50 ($35) for the final 7 cents of tax rate. The district would receive $350 in foundation aid and $85 in flat grant incentive aid, or a total of $435.

Initially, it may be necessary to set a ceiling on the tax rate applicable to the incentive program. Perhaps a tax rate of 20 cents above the 25 cents required for the foundation program might be applied to the incentive plan. We would hope, however, that eventually the ceiling would be raised until there was no limit, and districts which chose to tax themselves more heavily to provide a quality program would receive encouragement from the state.

3. Financial Reporting and Accounting

There is great difficulty in making comparisons between the costs of junior colleges in California. Part of the reason for this difficulty is due to the anomaly caused by the presence of high school and unified districts maintaining junior colleges and the difficulty of obtaining comparable cost data for the junior college activities of these districts as related to the costs of separate junior college districts.

The importance of obtaining comparable cost data is particularly critical where a part of the state support program is an incentive plan in which a higher tax rate for junior college purposes yields an additional financial contribution from the state. Thus, if unified districts qualified for the foundation program at all levels (elementary, secondary, junior college), they would receive no state benefits from taxes over this amount at either of the two lower levels, and it would be to their benefit to divert as many indirect costs to the junior colleges as possible.

Thus, in view of the existence of unified and high school districts maintaining junior college districts in California, it is necessary that the incentive plan include a strict reporting and accounting procedure which guarantees that funds provided for education at one level will be spent at that level. The State of California Department of Education should, under this plan, require detailed reports of expenditures for junior colleges in all districts maintaining junior colleges and establish standards for pro-rating indirect costs to insure that funds designated for junior college purposes are spent for junior colleges.

4. Remove the Statutory Maximum Tax Rate

It would seem highly desirable to remove the present statutory maximum tax rate of 35 cents for the purposes of this plan. In line with the policy in other local governmental units where the board or council have the responsibility for establishing the tax rate required to perform the governmental functions of their district, the same responsibility should be left to the discretion of boards of education of junior college districts. This feeling that the statutory maximum tax rate no longer performs a valuable function has been expressed well by Ronald Cox and Archie McPherran in an article in *California Education.* They said:

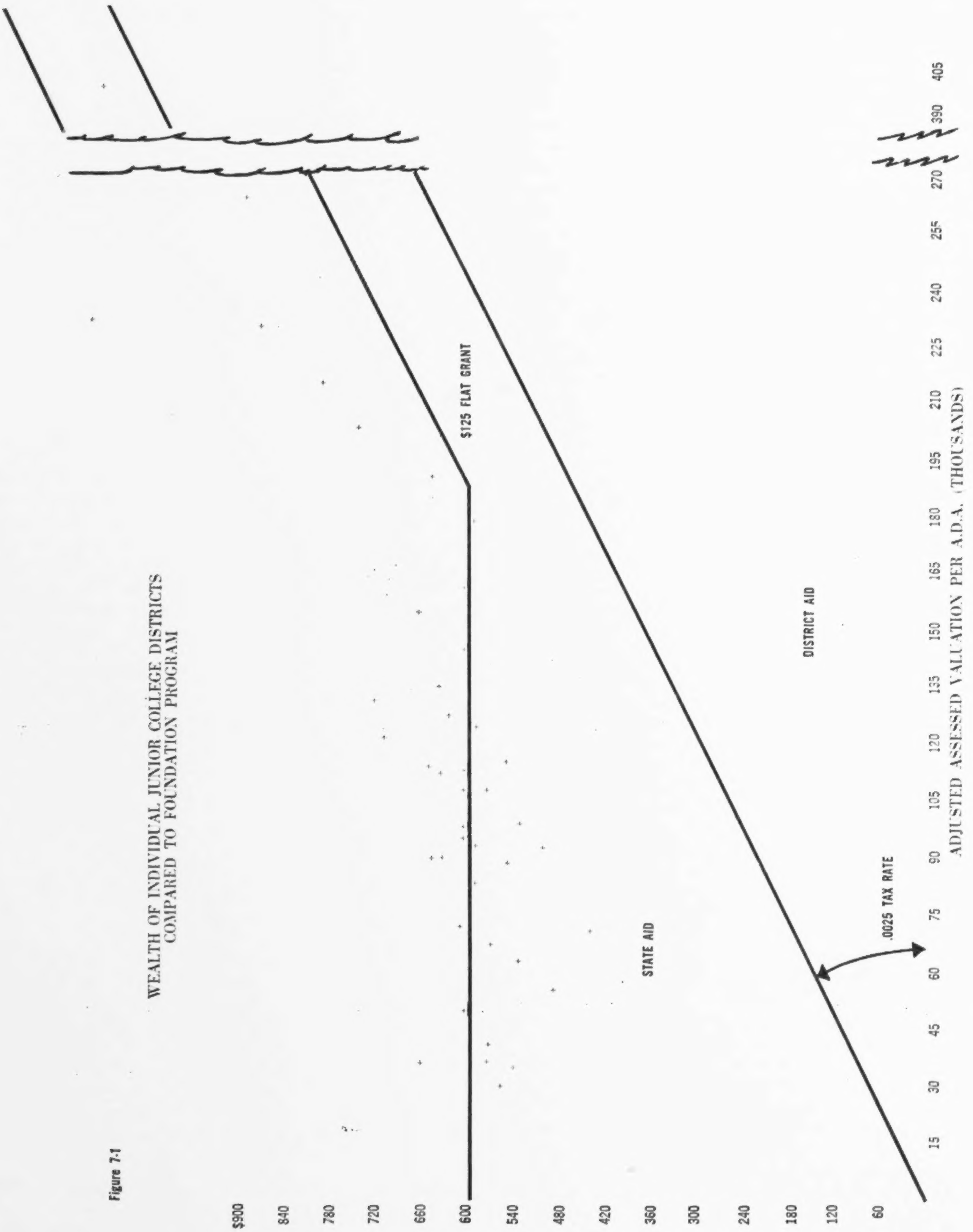
> The use of the statutory maximum tax rate device to control school district expenditures has perhaps outlived its usefulness. This fact is demonstrated by the action of local electorates voting to permit tax rates far in excess of those provided by statute and by the action of the Legislature in permitting taxes for special purposes to be levied in excess o fstatutory or voted maximum tax rates. The remnant of this expenditure control system is a maze of confusion providing a protective facade behind which local governing boards may reject

---

*Ronald W. Cox and Archie L. McPherran, "Why Retain Statutory Maximum Tax Rates?", *California Education*, Vol. III, No. 3, November 1965, p. 15.

Figure 7-1

WEALTH OF INDIVIDUAL JUNIOR COLLEGE DISTRICTS COMPARED TO FOUNDATION PROGRAM



responsibility in the budget adoption procedures and which administratively has created an expenditure control system that can be neither accurate nor precise, and which adds considerably to the complexity of school finance and budget adoption problems and the cost of administrative control.*

It is certaintly appropriate for the State to establish a statutory minimum or qualifying tax rate and require that districts levy that minimum tax in order to achieve the foundation program or minimum standard of adequacy. This is in line with the State's responsibility for insuring that a minimum program is available with a reasonable effort on the part of the school districts. However, the right to proceed beyond this point in providing for the particular needs of the community for two years of post-high school education is clearly the responsibility and jurisdiction of the community. The imposition of a statutory maximum tax rate seems clearly to violate the principle of home rule. Junior college boards of education should be allowed to establish tax rates most appropriate to the needs of their community with their decisions on these matters judged by their constituents at election time. If junior college board members under such conditions do not provide the kind of program which the citizens of their community desire, they will be removed from public office just as other local governmental officials who have the same or similar responsibility are removed. This authority to decide is needed especially if an incentive plan is introduced as part of the state support program.

5. Special Purpose Taxes

The removal of the statutory maximum tax rate along with the incentive feature in a state program will virtually destroy the use of special purpose taxes because if school districts have the option of establishing their own general purpose tax rate and receive financial incentives from the state for doing so, there is little reason to resort to "hidden" taxes for special purposes.

We may wish, however, to exclude certain types of expenditures from the foundation program and incentive plan and provide for special taxes to meet these expenditures. An example of this might well be the repayment and interest on the district bonded indebtedness.

6. Cost Estimate

The estimated cost for this program using 1965-66 data (assuming a 45 cent maximum tax rate and further assuming, since the necessary data is not available, that all Unified and High School Districts are taxing at 45 cents for junior college purposes) is $84,798,931. This is $18,150,491 above the estimated cost of the present program (See Appendix E-Table 4).

7. Discussion

In this proposal we have presented a foundation program with a flat grant incentive feature. With the exception of the deletion of basic aid, the program is not unlike the present system. An incentive program, however, does represent a unique departure from plans which have been in effect in California. In fact, the plan presented in this section represents a rather conservative modification. Because the method of providing funds in the incentive plan is a flat grant, each district which taxes at the same rate receives the same amount of state incentive aid. The equalizing feature in the plan derives primarily from the fact that poorer districts tax at a greater rate and that the flat grant represents a larger relative yield on what might be derived from their local valuation. In addition, an important aspect of the plan is the incentive feature which encourages districts to go beyond a minimum program and provide a richer education offering.

In order to understand the proposal more fully, we will examine the state and local aid received in the combined foundation and flat grant incentive program for three hypothetical school districts. In Table 7-1, page 54, three junior college districts having valuations of $50,000, $125,000, and $200,000 per ADA have been selected. For each of these districts, we have computed the yield from the foundation program. In addition, a determination has been made of the yield derived from each increase in tax rate of 10 cents up to a total tax rate of 45 cents. We have suggested that a 45 cent tax rate might be the limit established on the program in the first year.

In the district of $50,000 valuation per ADA, a 10 cents tax rate would only yield $50 in additional district taxes. Thus, the flat grant from the state government would provide an amount of resources equivalent to that which might be raised by a 10 cent tax rate on local property. Alternately, the $50 flat grant from state government in the $200,000 district would provide the equivalent of a 2½ cent tax rate on its property. Moreover, the wealthier districts may very frequently choose not to take advantage of the full extent of the incentive program because their financial needs may have been met from local taxes before they reach the 45 cent tax rate. Under this plan, the district of $50,000 valuation could provide an educational program costing $800 at a tax rate of 45 cents. At the same tax rate, the districts with valuations of $125,000 and $200,000 per ADA could provide programs costing $950 and $1100 per ADA, respectively.

While the disparity in the resources available in the three districts when each taxes at the same rate may be somewhat discouraging, we need only point out what happens under the present situation to recognize the degree of equity and incentive provided by the plan. In District A (Valuation of $50,000) the program that could be provided at a tax rate of 45 cents would require a 65 cent tax rate under the existing foundation program as supplemented by local taxes above the foundation. This 45 cent program would cost the district with a valuation of $125,000 per ADA 53 cents at the present time. And, District C ($200,000 per ADA) would receive for a 45 cent tax rate a program which could presently be achieved by a tax rate of 48¾ cents. The net gain to this district is the yield of an additional 3¾ cent tax rate on its valuation.

It cannot be assumed that a district of $200,000 valuation per ADA or, indeed, wealthier districts, would want to levy taxes to the maximum of the incentive plan. District C, for example, may well be satisfied with an $850 program. If so, its tax would be only 35 cents and the district would, therefore, receive only $50 in incentive aid from the state instead of $100. In this instance, the program provided by the district for a tax rate of 35 cents is one which might be achieved in the present foundation plan by a 36¼ cent tax rate. In short, the total incentive to districts is less if they choose to tax themselves at lower levels.

Thus, a wealthy district that wanted to provide a expensixe program could still do so more easily than a district of less wealth and would be encouraged to do so, but the disparity in the amount of resources available would have been reduced considerably. On the other hand, a wealthy district which chooses to be satisfied with a low-cost educational program receives considerably less state support. The state program encourages excellence.

ALTERNATE PROPOSAL IV
Modified Foundation Program With Tax-Effort Incentive Plan

1. Overview

In this alternative, we propose a $480 foundation level for regular students with no basic aid provision and a 20 cent computational tax rate to qualify for the program. In addition, a tax-effort incentive plan should be implemented to provide a state aid payment above the foundation. We recommend that in the consideration of this proposal the status of adults, non-district and non-state-resident students remain the same as under the present plan.

2. Foundation Program

The perplexing question in establishing a state support program is "What is a minimum standard of adequacy?" The query must be answered in order to differentiate between the two purposes of state aid minimum program and incentive and to determine the relative responsibility of state government in each case.

We could say that the fact that the foundation program is presently set at $600 assumes that the legislature has considered the question and by state prescription has determined that this level represents a minimum standard of adequacy throughout the state. Though it appears a possible assumption, we believe it an unreasonable one, for there appears to have been no conscious effort to determine desired educational programs and outcomes and the costs related to them. Moreover, the existence of a single program seems to suggest that the foundation program serves an additional purpose beyond that of merely providing a minimum program.

If we examine available cost data as a first estimate of a minimum program, we arrive at the conclusion that the $600 figure does not represent existing standards. There are, for example, junior college districts in the State which have a total current expense per ADA of about $480 and which apparently comply with established State standards. Thus, it might be possible to assume that this is a more appropriate indication of a bare minimum.

There is also some data pertinent to this point from our analysis of the state support program under Guideline II. In that analysis a regression equation was determined which showed the predicted total current expense per ADA for districts of differing valuation. This regression equation had a constant of $468.04. The indication from this data is that it appears inappropriate for a school to spend below this level regardless of the property valuation or demand for educational services in the district. Thus, in statistical terms, the $468 figure seems to represent a first estimate of a minimum adequate program. In this proposal we have selected a level slightly higher than this figure ($480) as the minimum standard of adequacy and we have established it as the foundation level in order to facilitate computation. We recognize that the use of total current expense per ADA may understate the actual cost, but we feel, nevertheless, that in terms of the cost of implementing a program including actual state minimum legal prescriptions a $480 foundation level is at least as reasonable as the present estimate. We would concede the need for more precise identification of actual costs and would suggest that changes in the foundation be readily implemented in light of new cost data.

Since the foundation level was lowered 20 per cent (from $600 to $480), and because we desired to maintain about the same proportion of state and local contribution in this segment of the program, the qualifying tax rate was also lowered 20 per cent from its present level of 25 cents to a new level of 20 cents.

3. Committee on Standards of Adequacy

We propose the formation of a statewide committee to determine the components of a minimum adequate junior college program and to obtain cost estimates in total and as they are related to each of the components. We propose that this committee be appointed by the Junior College Advisory Panel, or by another suitable agency, and be composed primarily of junior college board members, lay citizens and a few junior college administrators in a consultative capacity. This committee would be asked to present a report annually, suggesting revisions in the foundation level appropriate to the actual costs of providing a clearly defined minimum adequate program. Such a report would identify the elements of program costs and would be the basis for vigorous discussion throughout the State over the goals of California junior college education.

4. Tax-Effort Incentive Plan

We propose the adoption of a tax-effort incentive plan to provide State aid beyond the foundation program. The plan would apportion to districts an amount representing 40 per cent of the difference between the yield of a tax rate on the district's valuation and the State guaranteed valuation. The district would have the option of establishing the tax rate which best suited its educational purposes. In the first year of operation, we would establish a ceiling on the tax rate applicable to tax-effort incentive aid. We would suggest that a maximum rate of 30¢ above that required for the foundation (a total tax rate of 50¢) be used in the tax effort computation. Thus, a district which taxed itself at 45¢ would be eligible to receive the yield on a 25¢ tax-effort incentive plan.

This plan provides an incentive to school districts to put forth a greater tax effort and, consequently, to provide a higher level of junior college educational services. At the same time, it recognizes differences in fiscal ability between districts. The tax-effort incentive plan proposed here is of the guaranteed valuation type which was discussed in Chapter 4—it rewards districts for their tax-effort by insuring that each district will receive the yield of a state established guaranteed valuation, where the state provides the difference between what is produced locally and what would be produced by the guaranteed valuation.

The tax-effort incentive plan differs somewhat from the resource equalizing grant which has been discussed in California recently. It differs on several dimensions: (1) the level of the guarantee, unlike the resource equalizing grant, is established at a rather high rate. While the resource equalizing grant has as its purpose to bring to the mean (i.e., equalize resources), this proposal has as its main function the provision of incentive to a number of districts. Thus, we desire to include as many districts as possible in the program. In this instance we have established a guaranteed valuation of $250,000 per ADA. This is a level which includes all but eight junior college districts in the state. (2) The resource equalizing grant provides 100 per cent of the guaranteed valuation. The purpose of that plan is to equalize the resources of poor districts by bringing each district to a minimum standard of adequacy as well as by providing them with incentives to go beyond the basic standard of adequacy. At a given tax rate each district would have resources in an amount equal to that which might be raised in the district of mean valuation in that state. In this present proposal, the purpose is to provide a share of the costs beyond the minimum program, where the fulfillment of the minimum standard is satisfied through the foundation program. Thus, it is more appropriate to set a higher state guaranteed valuation and to have the state provide only a portion of the difference.

These relationships may be easily expressed in algebraic form:

where: t_i = tax rate in district "i"
V_i = Assessed Valuation in District "i"
and GV = Guaranteed Valuation

Then, the typical guaranteed valuation program is as follows:

$$\begin{aligned}\text{State Aid}_i &= t_i\,(GV) - t_i\,(V_i)\\ &= t_i\,(GV - V_i)\end{aligned}$$

In the resource equalizing grant, the guaranteed valuation is set at an amount equal to the mean valuation of the state ($GV = \overline{V}$). Thus, the formula becomes

$$\text{State Aid}_i = t_i\,(\overline{V} - V_i)$$

In this proposal, as has been previously noted, the function of the program is quite different. Thus, the guaranteed valuation has been set at a rather high level ($250,000) to include most districts in the State. Also, since the program is not meant to be totally equalizing but to provide some measure of incentive, the district receives only a portion of the difference in yield between its valuation and the guaranteed valuation. In this case the portion has been set at 40 per cent. Thus:

$$\text{State Aid}_i = .4t_i\,(GV - V_i) = .4t_i\,(\$250{,}000 - V_i).$$

The operation of this proposal will be discussed in further detail in part six of this proposal, by providing examples of the apportionment of funds in three junior college districts.

5. Statutory Maximum, Special Purpose Taxes, and Financial Reporting.

As we mentioned in Alternate Proposal III, it is highly desirable to remove the present statutory maximum tax rate because we believe the junior college districts should have the responsibility for setting the tax rate that will best accomplish their educational goals. What's more, we also pointed out that the statutory maximum tax rate is outdated, for communities usually permit tax rates in excess of those provided by statute. And, as indicated earlier, revocation of statutory maximum tax rates makes special purpose taxes unnecessary, for if school districts can establish their own general purpose taxes and receive financial incentives from the state, there is no reason to adopt "hidden" taxes for special purposes.

Finally, we noted that it is difficult to identify expenditures designated for junior colleges in unified districts maintaining these colleges. And, because of the importance of knowing such data when a part of the state support program is an incentive plan in which a higher tax rate for junior college purposes yields an additional financial contribution from the State, we recommend a systematic program of financial reporting and accounting throughout the State.

Table 7-2

Income per ADA of 3 Junior College Districts of Varying Valuation and a Tax Rate of 45 Cents under Alternate Proposal IV*

		Yield From District Taxes	Tax Effort Incentive Amount**	State Aid	Cumulated Total****
District A (Adjusted Assessed Valuation of $50,000 per ADA)	Foundation Program of $430 (20c tax rate)	$100	—	$380	$480
	Tax-Effort Incentive (15c tax rate)	$ 75	$375	$120***	$675
	Tax-Effort Incentive (10c tax rate)	$ 50	$250	$ 80***	$805
	Total Tax 45c	($225)		($580)	
District B (Adjusted Assessed Valuation of $125,000 per ADA)	Foundation Program of $430 (20c tax rate)	$250	—	$230	$480
	Tax-Effort Incentive (15c tax rate)	$187.50	$375	$ 75***	$742.50
	Tax-Effort Incentive (10c tax rate)	$125	$250	$ 50***	$917.50
	Total Tax 45c	($562.50)		($355)	
District C (Adjusted Assessed Valuation of $200,000 per ADA)	Foundation Program of $430 (20c tax rate)	$400	—	$ 80	$480
	Tax-Effort Incentive (15c tax rate)	$300	$375	$ 30***	$810
	Tax-Effort Incentive (10c tax rate)	$200	$250	$ 20***	$1030
	Total Tax 45c	($900)		($130)	

*Not including adults in non-graded classes, non-residents or non-residents or non-district students.

**Tax Rate ($250,000)

***.4 (Col. 4 - Col. 3)

****Col. 3 + Col. 5 cumulated

6. Cost Estimates

The estimated cost for this program using 1965-66 data is $77,379,845. This is approximately $10.7 million more than the estimated cost of the present program in the same period. (See Appendix E—Table 5.)

7. Discussion

In order to better understand the effect of Alternate Proposal IV, we have prepared some data showing the income per non-adult resident student in average daily attendance for three junior college districts having rather different property valuation per ADA. (See Table 7-2, page 55.) District A has an adjusted assessed valuation of $50,000 per ADA, District B has an adjusted assessed valuation of $125,000 per ADA and the valuation of District C is $200,000 per ADA. As will be readily noted from the Table, lowering the foundation program to $480,000, while it has the same relative effect on school districts (since the qualifying tax rate also was reduced), does reduce the absolute amount of state aid (column 5) received by each of the districts. District A will receive $380.00 and districts B and C will receive $230.00 and $80.00, respectively, in state aid in the foundation program. However, the loss in the foundation program can be readily made up by most districts in the tax-effort incentive program. When District A levies an additional tax of 15 cents above that required for the foundation program it receives $120.00 more in state aid and has a cumulative total of $675.00. When District B levies the additional 15-cent tax rate it receives $75.00 more in state aid and has a cumulative total of $742.50. For District C the comparable figures are $30.00 and a cumulative total of $810.00. Finally, if we were to assume that each of the districts levied a tax up to 45 cents, then the total amount available in District A, B and C would be $805.00, $917.50, and $1030.00 per ADA, respectively. However, while the total amount of funds available still differs to some extent between districts, there is an increasing amount of state aid provided to less wealthy districts. Under the condition that each of the three districts levies at the 45-cent tax rate (5 cents less than the ceiling). District A receives a total of $580.00 in State aid. District B receives a total of $355.00 and District C receives a total of $130.00. However, it should be noted that District C, or for that matter other more wealthy districts, might not want to provide a program costing in excess of $1,000 per ADA in which case they would tax at a lower rate and be provided with less state aid. Thps, the plan favors the poorer district which needs to tax at a higher tax rate in order to maintain a comparable program, and it favors districts where the demand for educational services is high and district residents are willing to tax themselves at a higher rate to provide a higher quality program.

ALTERNATE PROPOSAL V

The State-Wide Property Tax Variation Of The Tax-Effort Incentive Plan

1. Overview

In this Alternative Proposal, we recommend that a 20 cent statewide property tax be initiated to provide a flat grant of $480 per regular and non-district ADA. This should be supplemented by a tax-effort incentive plan. Districts should be compensated for adults and non-state-residents in the same manner as at present.

2. State-Wide Property Tax

There has been considerable discussion recently over the possible use of a state-wide property tax for providing support for junior colleges. A state-wide property tax has been recommended by the Department of Education in each of the past two years as a way to finance the district's share of the state support program. Moreover, there is some legislative interest in considering the adoption of a state-wide property tax for educational purposes as evidenced by the Senate Fact Finding Committee on Education which met on September 8, 1966, to consider the issue.

We propose a state-wide property tax of 20 cents to be levied in all parts of the state whether or not they are included in a junior college district. A state-wide property tax would mean that a uniform tax rate is established and applied to the total assessed valuation of all areas of the State. The proceeds of this tax would be specifically earmarked for the flat grant portion of the junior college support program.

The use of the state-wide property tax would reduce emphasis on individual local district ability by collecting property tax on a state-wide basis to provide the substantial portion of the minimum adequate program. A state-wide property tax, then, would be considered an essential part of the total school support program. It would include within it a uniform contribution on the part of all property taxpayers for the support of the basic program. "In this sense the state-wide tax becomes both a levy to qualify districts to receive more than the constitutional guarantee of basic aid and a statewide computational tax to determine the extent of contribution required from the State school fund to finance the foundation program."* In actuality, however, it seems a misnomer to refer to the plan as a foundation program. Since each district receives "the total amount of the foundation," districts are being provided with a flat grant in the amount representing a minimum standard of adequacy.

We noted earlier that there are two aspects to a support program: revenue production and revenue disbursement. Generally, most support programs attempt to provide the equalizing aspects of the program primarily in the manner in which funds are disbursed from the state government to local districts. A state-wide property tax would, by the manner in which funds are collected, make certain equalizing aspects of the foundation program unnecessary since a portion of the source of inequity (varying property values) would be equalized. Thus, if the level of grant received from the State government represents the dollars required to provide a minimum program, a flat grant has equalizing effects.

---

*Ronald W. Cox, "Report to the California Senate Fact Finding Committee on Revenue and Taxation," Los Angeles, September 9, 1966.

3. Flat Grant of $480

The yield of a state-wide property tax should be augmented by about $40 million from the state school fund to support the "basic aid program." This basic aid program should provide districts with a flat grant of $480, representing a minimum standard of adequacy, for each resident and non-district minor in average daily attendance.

We feel that it is important to make a distinction between that portion of the State support program that provides funds to meet the minimum basic educational needs of students, and that portion which provides assistance and incentive to school districts to go well beyond the minimum in attempting to achieve a quality educational program. The distinction between these two concepts is essential. It is also essential that the level of the basic aid program be established in a reasonable manner. It is important because the very definition of the programs requires a high level of support for the basic aid program and a lesser amount of participation on the part of the State in the incentive plan.

For the reasons stated in the preceding paragraph, we must reiterate one of the parts of the preceding proposal: a state-wide committee should be established on a continuing basis to appraise the objectives of junior college education and to determine the elements and costs of a minimum adequate program. We propose that as additional data become available, and at such future time that it can be shown that $480 is an inadequate amount for a basic program, that this program should be adjusted upward with the required additional funds drawn from the State school fund.

4. Non-district Students

As we have previously noted in our proposal, state-wide property taxes would be collected in all areas of the state regardless of whether an area is included in a junior college district. It seems appropriate, therefore, to have districts receive basic aid for non-district as well as district students. It is anticipated that excess costs associated with non-district students will be paid to the receiving district out of a tuition tax in the same manner as at present. Since non-district areas are rapidly disappearing, we would expect that this aspect of the program would be phased out in the next few years. In the meantime, it is interesting to note what would be accomplished by this provision. In brief, the State school fund would provide approximately 33 per cent of the revenues for the basic aid program. Thus, one may consider that non-district students are being compensated for by the State in an amount of $160 ($\frac{1}{3}$ times $480) which is approximately equal to the constitutional guarantee of $120. For the rest of the basic aid program, non-district areas are being asked to contribute what would amount to about $320 per ADA through the state-wide property tax. However, the contribution would take place in a manner that would equalize all areas of the state. Junior college districts, however, would not receive incentive funds from the State for non-district students.

5. Tax-Effort Incentive Plan

The incentive plan we propose here is the same as that advocated under Alternate Proposal IV. The plan would apportion to districts an amount representing 40 per cent of the difference between the yield of a tax rate on the district's valuation and the State guaranteed valuation. Moreover, the district would have the option of establishing the tax rate that best fulfilled its educational goals. In short, there would be a state reward for local tax-effort—the greater the district's effort, the greater its reward. In this way, the state would pay a share of the costs beyond the minimum program.

6. Cost Estimate

The estimated cost for this program, using 1965-66 data, is $155,187,686, of which approximately $81 million would come from the 20 cent state-wide property tax. Thus, approximately $74 million would have to come from the state school fund—a demanded increase of about $7.4 million over the estimated cost of the present program. (See Appendix E-6.)

7. Discussion

We have demonstrated in earlier sections of this report the seriousness of the problems arising out of inequalities in assessed valuation per ADA and of the subsequent amounts available per ADA in junior college districts of the state. There is no question but that the effect of the present variation in assessed valuation could be reduced by the establishment of a state-wide property tax levied against the state-wide assessed valuation. This present plan would, by the imposition of a state-wide property tax, eliminate the emphasis on individual local fiscal ability in achieving the minimum educational program. This is important because currently much of the variations in tax effort arise from variations in local financial ability, where great effort is generally required by districts of low ability in order to provide the minimum adequate program. In addition, this proposal would provide incentives to school districts that desire to maintain "quality" educational pro-

---

*Ronald W. Cox, Paper sent to the Members of the Senate Fact Finding Committee on Education (Honorable Richard J. Dolwig, Chairman), dated August 29, 1966, page 24.

grams, where desire is indicated by the tax effort these communities are willing to put forth. The great strength of this plan is, of course, that districts are able to select the kind of educational program they wish to provide with some assurance that if they put forth an appropriate tax effort they will be able to achieve this program. This is not possible in any realistic way at present.

In effect, the two factors which mitigate against the achievement of equal educational opportunity in the junior colleges of California are the variations in assessed valuation per ADA among districts and the flat grant provision as presently conceived which rewards districts of high wealth. As we have pointed out in an earlier section, these two factors are related to much of the difference in total current expenditure per ADA among districts. This point has been discussed by Ronald Cox who said:

> The present system of school support is so structured that uniform use of local property tax resources cannot be achieved and, as a result, the most effective use of State School Funds cannot be accomplished. The two factors that create these conditions are (1) existence of a large number of districts with high assessed valuations per unit of average daily attendance, and (2) the requirement in the Constitution that basic aid—$120 per unit of average daily attendance not less than $2,400 per district—be apportioned to each district each year. The effect of the first factor may be de-emphasized and the effect of the second factor eliminated by the adoption of a state-wide property tax.*

When a state-wide property tax is used, all districts receive a flat grant in the amount of the basic program, in this instance $480. Thus, the question of the $120 constitutional requirement for basic aid and the $5 statutory basic aid provision are no longer a matter of concern as all districts exceed these amounts.

The concept of basic aid, as used in the present foundation program, would automatically vanish with the introduction of a state-wide property tax program. Moreover, under the state-wide tax proposal, districts currently defined as "basic aid districts" will have less money available for their total expenditure program than at present. The sole exceptions might be instances of moderately wealthy districts that have high educational expectations and where the communities are taxing themselves at a relatively high rate. In order to maintain their present program levels, basic aid districts with relatively low tax rates would have to raise their district taxes.

We would suggest several modifications if the plan were introduced in order to facilitate ease of transferring to the new program. First and foremost, it would be reasonable to assume that additional state funds should be provided for the State School Fund to lessen the effect both of the loss to wealthy districts and of the concurrent tax increase that would be required in those districts. Secondly, in order to allow affected districts time to adjust to the effects of the program, the State could provide for the transition to take place over a two-year period.

Generally, the use of a state-wide property tax is a reconsideration of a practice considered outdated in the 1930's, for it was at that time that it was conceded that the use of property for taxation should be reserved for local governments. Notwithstanding this, we recognize the importance of switching a larger portion of the total revenue requirement for junior colleges to the state government. And, if it is generally conceded that a state-wide property tax would be a politically convenient method to use in gradually switching the burden for the minimum program to the State, then its use is worthy of consideration. The assumption here is that while the state-wide property tax would be set initially at 20 cents, we would expect over a period of time as the public demands for lightening the "heavy property tax burden" gain recognition, that the State would lower the 20 cent tax rate and assume portions thereof from other revenue sources of state government. The presence of a state-wide property tax would provide a situation where it would be considerably easier to lessen the burden by substituting State funds from other revenue sources for portions of the state-wide property tax.

It is important to note in closing that the adoption of a state-wide property tax would have important non-educational implications. Among these are the effects of a state-wide tax proposal on assessment ratios and effects on local property tax rates for non-educational purposes. Perhaps the most fundamental issue is the propriety of the property tax as the major source of revenue for educational support.

ALTERNATE PROPOSAL VI

Index Of Educational Need

1. Index of Educational Need

In this proposal we recommend that an Index of Educational Need be developed and adapted for use in California as the basis for distributing funds to junior college districts. We believe that the development of the Index is necessary because such a tool would do more than merely guarantee adequate resources for all districts—indeed, it would provide funds on the basis of educational needs in a more systematic fashion than has yet been implemented anywhere in the nation. As we have noted in Guideline II, equating fiscal ability is a first approximation to equalizing educational opportunities. However, districts differ in their educational needs and it may be necessary to provide them with disproportionate amounts of funds in order to achieve equality of educational opportunity for the students of the state. Communities differ in their socio-economic characteristics, in the nature of the student populations they serve, and in the patterns of course offerings which they must provide. And it is a patently obvious fact that some students require more attention and are more costly to educate. Moreover, the costs of educational programs differ, and the nature of the courses a district must offer determines the amount of financial resources that will be needed.

The Index of Educational Need we have postulated is admittedly complex but definitely worth considering because it fulfills most of the demands set forth by the Guidelines we suggested earlier. The State Department of Education could institute a system of state-wide testing at the junior college level similar to the state-wide tests in California at the elementary and secondary levels. The results of the tests would be used as dependent variables, along with other appropriate measures of educational outcome selected by a state-wide committee, in developing a statistical model based on the junior college districts in California. Data yielding insights into the characteristics of each district, something that cannot be reasonably controlled by district policy or manner of administration, would be amassed. In addition, information would be gathered about the nature of the educational offering or program of the district. All of this data would be used as independent variables in constructing the prediction model. We are sophisticated enough today to realize that academic achievement is not the only, nor is it the most important, output of junior colleges. However, it does seem reasonable at this time to propose academic achievement as a starting measuring point.

One statistical technique for achieving the prediction model might require the development of a linear regression model. In this case, each of the independent variables describing the nature of the community, including its wealth, the student population to be dealt with and the educational offerings—would be used to predict the educational outcomes (achievement, etc.) of districts. The line which provides the "best fit" for the data is the Index line.*

The educational need appropriation could be distributed in any of several ways. On the one hand, it might be used along with an existing support program utilizing a segment of the total appropriation and reserving the bulk of the available funds for the existing system of allocation. On the other hand, it might be the sole means of distributing state aid, and the total apportionment could be based on the Index.

Needs appropriations would be meted out to junior college districts on the basis of an inverse relationship to their predicted Index score. In this case, as we have demonstrated to some extent in Chapter 6, it would be quite possible to predict the educational outcomes that would be achieved by a junior college district, given a description of certain "uncontrollable characteristics" of the community such as various socio-economic measures. The achievement score, which would be anticipated from the given set of community variables, would be the predicted score for that junior college district. The higher the predicted mean score of a junior college district in terms of its community attributes, the less its educational need.

By using predicted scores instead of actual scores, variation would be permitted without penalizing districts that achieve actual scores higher than those that might normally be expected on the basis of their socio-economic characteristics. Thus, a district would not be penalized in the support program for any of the activities through which it had achieved higher scores than those predicted on the basis of uncontrollable factors. Two foremost means at the disposal of the junior college district for achieving scores higher than predicted appear to be (1) voluntary levying of a higher tax rate (a voluntarily greater tax-effort) and (2) more efficient utilization of existing resources.

What is the net result of this distribution scheme? Educational opportunities would be equalized across districts not only by considering the financial ability of school districts, but also by recognizing differences between communities, students, and courses of study. Also, districts would not be penalized for putting forth extra tax effort. It would seem that the nature of the plan and the heavy reliance upon sophisticated measurement techniques would encourage junior colleges to develop procedures for examining the efficiency of their programs in terms of the manner in which financial resources are utilized to achieve desired educational outcomes.

Though the creation of an Index of Educational Need would more than adequately satisfy most of our Guidelines, before such a tool can be established, a preliminary challenge must be faced: there is a need to create a set of measures to use as criteria in the development of the Index.

2. State-wide Committee on Educational Objectives

In order to establish criteria for evaluating educational outcomes, we propose the appointment of a state-wide committee composed of junior college board members, citizen participants, and junior college teachers and administrators. This committee would examine the broad question of the objectives of junior college education in California, define these objectives in specific behavioral terms, and would determine a set of tentative educational outcome measures which represent their best estimate of criteria approximating the desired educational objectives. This would be a standing committee and would continue to function over the years, and, with the benefit of professional consultation, would recommend appropriate modifications in the outcome measures. Thus, the measures used in deriving each year's Index would represent successive approximations of the reality of desired educational objectives for California's junior colleges.

3. Cost Estimates

It is not possible to provide cost estimates for this proposal because it is one which has a long-term horizon (a

---

*It may not be appropriate to assume the the relationship is linear, in which case transformations might be made (where *scatter plots* of independent versus dependent variables show that such transformations provide a better fit for the data).

great deal of preparation is necessary before it could be utilized) and a decision would need to be made as to the manner in which the Index would be used. On the one hand, the total allocation might be based on the school district's educational need as defined by the Index. On the other hand, a foundation program might be used with the Index of Educational Need providing a supplemental grant. Ideally, we would prefer the use of the Index either as a basis for the total apportionment or as a means of determining the State aid for a minimum program with an incentive feature (such as in Alternate Proposal III or IV) as a supplemental aid program.

4. Discussion

The impact on the State school system and the implications of the Index of Educational Need in terms of the Guidelines are fairly obvious. First and foremost, the concept of needs appropriations based on the Index would implement Guideline I, which calls for allocation of State support for junior colleges in a manner which recognizes the joint responsibility of state and local governments, for appropriations would be made only after thoughtful consideration of the resources and requirements of local districts.

The Index would provide a way of facilitating the achievement of equality of educational opportunity—the Index could be the instrument through which the needs of junior colleges and their access to fiscal resources could be evaluated. Furthermore, an evaluation of financial resources would also reveal the ways in which districts could be made comparable in terms of available resources and educational needs requirements and, from earlier chapters, it should be clear that equality of educational opportunity can be achieved only when the varying needs of different districts are considered along with their available resources.

Moreover, such a procedure would enhance the opportunity for efficient utilization of resources and would automatically fulfill the recommendation in Guideline V that state support for the junior college should be allocated in a manner which will encourage efficient utilization of resources on the part of the school district. It is, therefore, necessary to not only have data on the amount of resources available to a local district, but, perhaps equally important, it is necessary to have information about the costs of specific instructional programs with specific educational objectives. Though so many factors impinging on and affecting costs of instructional programs are uncontrollable, it is necessary to make a systematic attempt to identify and quantify the impact of these variables on costs. The Index of Educational Need would be a helpful guide in helping to guarantee the efficient utilization of resources. Furthermore, it would aid both state and local governments in justifying their expenditure to their residents.

INCIDENTAL RESCOMMENDATION

Non-State-Residents

We propose the establishment of a mandated tuition fee which would be more in line with costs of junior college education and with the tuition policies for non-resident students at both the state colleges and the University of California. The amount of the mandated tuition fee should be determined anew each year on the same proportional basis that State College or University tuitions are to the costs per student at those institutions. Thus, for example, if the State College tuition fee of $600 per year represents 70 per cent of the cost of educating a student in these colleges, then the state mandated junior college non-resident tuition fee should be set at 70 per cent of the mean state and local cost per student in the junior colleges of the state. In part, this is to help insure that funds provided for the education of State residents are not diverted to provide for the education of non-resident students and to avoid placing an undue burden on state and local funds intended for other purposes. Districts would be required to collect this tuition fee from non-resident students in order to qualify for state aid for this group. This mandated tuition fee to non-residents is not intended to be restrictive on the decision authority of local administrators. Junior college districts may desire to exceed the state mandated tuition fee—district policy and/or space available may make it feasible for some junior colleges to desire to mantain higher tuition fees than those mandated by the State.

The State apportionment for this group would continue to be a $125 flat grant. It does not appear to be necessary to provide an equalization program for non-resident students because the district, through its policy, need not accept such students and the State shares no responsibility for equalizing the educational opportunities of non-resident students in different districts throughout the states.

On the other hand, the State as a whole does receives benefits from an educated poulace, including students from out of the state who then might become State residents and contribute to the economy. The exact amount of public benefits derived from such students is not precisely known. Thus, in light of the inadequate evidence at present, we would choose to retain a flat grant and to maintain it at the present level.

EVALUATION

In this chapter we have presented six Alternate Proposals. The key features of each have been presented in summary form in Table 7-3, page 56. Each proposal presents, in its own way, a possible solution to some of the problems of financing junior colleges in California. For example, Alternate Proposal I is specifically designed to deal with deficiencies in the present program pointed out by Guideline III. This plan calls for the inclusion of adults in graded classes into the regular foundation program, elimination of the present program for defined adults, and provision of a $125 flat grant for adults in non-graded classes. This plan would cost aproximately $20 million more than the present program, not counting increased costs associated with population growth or change in financial status of school districts.

A second proposal presented as a means of providing a partial solution to the problems of financing junior colleges in California is a typically-mentioned approach. The reasoning behind this proposal would go somewhat as follows: If we are anxious to increase the amount of State aid used in providing the minimum program, it can be achieved most easily by either increasing the amount of the foundation or by decreasing the tax rate that districts are required to levy in order to qualify for the foundation program. We have chosen not to present a proposal based on the first of these two alternatives because there is no evidence that the present foundation level of $600 is below the level required to provide a basic minimum program. Instead, in the second Alternate Proposal we have lowered the qualifying tax rate from 25 cents to 23 cents and at the same time, because additional school districts would be included in the foundation program, we have deleted the basic aid provision. This is the least costly of the proposals presented and, under the present enrollment pattern, would require an additional expediture of approximately $5 million. If there were a desire to increase the amount of the state contribution above the level of the second alternative presented, it could be achieved by lowering the qualifying tax rate to 22 cents. The result, of course, would be to achieve even greater equity of financial resources among districts, up to the financial level of the foundation program.

Alternate Proposal II is of some value in helping to achieve greater equality of educational opportunities and to some extent increases the State's responsibility for achieving the minimum program. However, this proposal, like the present foundation program, does not provide an incentive for school districts to go beyond the minimum. A solution to this is presented in Alternate Proposal III, which has a modest incentive feature. The present foundation level of $600 and qualifying tax rate of 25 cents are maintained; the basic aid provision is deleted; and, an incentive flat grant feature is added to provide funds above the foundation amount to school districts. The plan calls for a $50 incentive flat grant to be provided, on a *pro-rata* basis for each 10 cents of tax rate above the foundation program qualifying rate, up to a maximum total tax rate of 45 cents. The flat grant has some equalizing features because low wealth districts are more likely to tax at a greater rate and because the $50 amount represents a greater tax yield for these districts than for more wealthy ones. It is not, however, a particularly strong equalizing feature. The cost of this program as proposed would be approximately $18 million more than the present program, without anticipating changes in population or in wealth of districts.

Two of the concerns felt about Alternate Proposal III led to the development of a fourth proposal. With respect to the matter of an appropriate foundation level, there seemed to be no evidence to indicate that $600 was, indeed, the amount required for a minimum program. In fact, there seeemed to be some statistical evidence to indicate that the amount of the minimum program should be set lower than the $600. This does not imply, however, that the $600 as presently used is inappropriate, because the present program accomplishes two purposes: The provision of the minimum program and the provision of educational services beyond the minimum. A second concern with Alternate Proposal III dealt with the incentive flat grant. While this incentive feature certainly was an improvement over the present program, we felt that it did not go far enough in providing incentive to school districts and in providing equalization. Thus, in Alternate Proposal IV we proposed a foundation program having

Table 7-1

INCOME PER ADA OF 3 JUNIOR COLLEGE DISTRICTS OF VARYING VALUATION AND A TAX RATE OF 45 CENTS UNDER ALTERNATE PROPOSAL III

		Yield From District Taxes	State Aid	Cumul. Total
District A (Adjusted Ass. Valuation of $50,000 per ADA)	Foundation Program of $600 (25 cent tax rate)	$125.00	$475.00	
	Incentive Flat Grant of $50 (10 cent tax rate)	50.00	50.00	$700.00
	Incentive Flat Grant of $50 (10 cent tax rate)	50.00	50.00	800.00
District B (Adjusted Ass. Valuation of $125,000 per ADA)	Foundation Program of $600 (25 cent tax rate)	312.50	287.50	
	Incentive Flat Grant of $50 (10 cent tax rate)	125.00	50.00	775.00
	Incentive Flat Grant of $50 (10 cent tax rate)	125.00	50.00	950.00
District C (Adjusted Ass. Valuation of $200,000 per ADA)	Foundation Program of $600 (25 cent tax rate)	500.00	100.00	
	Incentive Flat Grant of $50 (10 cent tax rate)	200.00	50.00	850.00
	Incentive Flat Grant of $50 (10 cent tax rate)	200.00	50.00	1100.00

*Not including adults in non-graded classes, non-residents or non-district students.

Table 7-2

INCOME PER ADA OF 3 JUNIOR COLLEGE DISTRICTS OF VARYING VALUATION AND A TAX RATE OF 45 CENTS UNDER ALTERNATE PROPOSAL 4*

		Yield From District Taxes 3	Tax Effort Incentive Amount** 4	State Aid 5	Cumulated Total**** 6
District A (Adjusted Assessed Valuation of $50,000 per ADA)	Foundation Program of $430 (20¢ tax rate)	$100	——	$380	$480
	Tax-Effort Incentive (15¢ tax rate)	$ 75	$375	$120***	$675
	Tax-Effort Incentive (10¢ tax rate)	$ 50	$250	$ 80***	$805
	Total Tax 45¢	($225)		($580)	
District B (Adjusted Assessed Valuation of $125,000 per ADA)	Foundation Program of $430 (20¢ tax rate)	$250	——	$230	$480
	Tax-Effort Incentive (15¢ tax rate)	$187.50	$375	$ 75***	$742.50
	Tax-Effort Incentive (10¢ tax rate)	$125	$250	$ 50***	$917.50
	Total Tax 45¢	($562.50)		($355)	
District C (Adjusted Assessed Valuation of $200,000 per ADA)	Foundation Program of $430 (20¢ tax rate)	$400	——	$ 80	$ 480
	Tax-Effort Incentive (15¢ tax rate)	$300	$375	$ 30***	$ 810
	Tax-Effort Incentive (10¢ tax rate)	$200	$250	$ 20***	$1030
	Total Tax 45¢	($900)		($130)	

* Not including adults in non-graded classes, non-residents or non-district students.
** Tax Rate* ($250,000)
*** .4* (Col. 4 — Col. 3)
**** Col. 3 + Col. 5 cumulated

a standard of adequacy of $480 and a qualifying tax rate of 20 cents with basic aid deleted. On top of this program, districts would be eligible to receive tax-effort incentive aid in an amount based on the wealth of the district and on its willingness to tax itself. The plan as proposed here would cost approximately $10.5 million more than the present program.

Alternate Proposal V is basically quite similar to the previous proposal. It differs, however, in one major respect: the qualifying tax rate and a $480 foundation program are eliminated and replaced instead by a $480 flat grant provided in part by the yield of a 20 cent state-wide property tax. The tax effort incentive plan remains the same as in Alternate Proposal IV. The main effect of this change is to provide greater equalization of resources among the districts of the state in achieving the $480 foundation amount. This is primarily achieved by a loss of resources in districts having property valuation greater than $240,000 per ADA. Under Alternate Proposal IV, those junior college districts with a tax rate of 20 cents would raise an amount greater than $480. But under Alternate Proposal V, where the first 20 cents of property tax is collected state-wide, those wealthy districts would be limited to the same $480 yield as districts included in the foundation program of the previous proposal.

While there is some question as to whether the imposition of a state-wide property tax adequately reflects the nature of the joint responsibility of state and local governments and, more specifically, the taxing sources reserved for each, there is no question but that the use of a state-wide property tax would help to achieve greater access to equality of educational opportunity among the junior college districts of the State. Moreover, the use of a state-wide property tax is not likely to be a matter of great concern if it were commonly felt that it was being used as a means to provide a mechanism whereby it would be

Table 7-3

SUMMARY OF ALTERNATE PROPOSALS

	Foundation			Incentive Plan	Other Features	Estimate of State Aid
	Amount	Qualifying Tax Rate	Special Features			
Alternate Proposal 1	$600	25¢	Graded adults included	N/A	Non-graded adults flat grant	82.175.468
Alternate Proposal 2	$600	23¢	Basic aid deleted	N/A	—	$71,598,253
Alternate Proposal 3	$600	25¢	Basic aid deleted	$50 incentive flat grant for each 10¢ above Foundation Program Qualifying rate	Ceiling on tax rate applicable to incentive flat grant total rate of 45¢	$84,798,931
Alternate Proposal 4	$480	20¢	Basic aid deleted	Tax-effort incentive State Aid $=.4t_1(\$250{,}000-V_1)$*	Ceiling on tax-effort incentive plan, total rate of 50¢	$77,379,845
Alternate Proposal 5	$480	None	Basic aid deleted	Tax-effort incentive State Aid $=.4t_1(\$250{,}000-V_1)$*	20¢ state-wide prop. tax. Ceiling on tax effort is an incentive plan tax rate of 30¢	$155.187.686**
Alternate Proposal 6	To be determined		To be determined	Index of Educational Need	To be determined	—
Present Program	—	—	—	—	—	$66,648,440***

* See Chapter 7, page 6 for explanation of symbols.

** Includes approximately $80 mililon collected from state-wide property tax.

*** Estimated State Aid using same data as in above proposals (See Chapter 7, page 4).

easier for the State to ultimately shift some of the property tax burden to other revenue sources. To be specific, we would hope that the implementation of a state-wide property tax would serve as a first and convenient political step in shifting a portion of the financial burden from the property tax.

In all probability, it may not be possible to implement Alternate Proposal VI at this time. We present it as a possible future approach to a school finance plan which will recognize some of the immensely complicated factors not considered in Alternate Proposals I through V.

In an attempt at further exploring the nature of the differences between the proposals especially with respect to the question of access to equality of educational opportunities, we have selected three hypothetical school districts having valuaitons of $100,000, $200,000, and $300,000 per ADA and examined the total available amount at tax rates of 35 cents and 45 cents. In a separate analysis, we have determined the tax rate required to provide a program costing $900 per ADA in these districts as well as in several others.

In Table 7-4, we have presented an analysis of the total amount available to districts having adjusted assessed valuations of $100,000, $200,000 and $300,000 per ADA under the present foundation program, Alternate Proposal III, Alternate Proposal IV, and Alternate Proposal V. For various reasons, primarily related to the incomparability or unavailablility of data, we have chosen to delete Alternate Proposals I, II and VI from this analysis. In each of the proposals, the district having a valuation of $100,000 per ADA has an increase in the total amount available at the given tax rate, with the greatest increase evidenced in Alternate Proposal III. The district of $200,000 valuation has an increase under Alternate Proposal III and slight decreases in the other two proposals. While decreases are shown under Alternate Proposals III and IV in the high wealth district, Alternate Proposal V is the most effective in equalizing the resources available to school districts at the given tax rate. A similar pattern exists in the distribution of the total amount available when the tax rate is established at 45 cents (Table 7-5).

Perhaps it is unrealistic to examine the total amount available to junior college districts at specified tax rates because of the necessity of poor districts' taxing at a higher rate in order to provide given levels of educational services. Thus, we have arbitrarily selected a program

Table 7-4

TOTAL AMOUNT AVAILABLE AT A TAX RATE OF 35 CENTS IN DISTRICTS OF DIFFERENT VALUATIONS

	Adjusted Ass. Valuation of $100,000 per ADA	Adjusted Ass. Valuation of $200,000 per ADA	Adjusted Ass. Valuation of $300,000 per ADA
Present Found. Program	700	825	1175
Alternate Proposal 3	750	850	1050
Alternate Proposal 4	720	810	1050
Alternate Poposal 5	720	810	930

Table 7-5

TOTAL AMOUNT AVAILABLE AT A TAX RATE OF 45 CENTS IN DISTRICTS OF DIFFERENT VALUATIONS

	Adjusted Ass. Valuation of $100,000 per ADA	Adjusted Ass. Valuation of $200,000 per ADA	Adjusted Ass. Valuation of $300,000 per ADA
Present Found. Program	800	1025	1475
Alternate Proposal 3	900	1100	1400
Alternate Proposal 4	880	1030	1350
Alternate Proposal 5	880	1030	1230

level for consideration and determined in five districts of quite different wealth the tax rate that would be required to provide the given program. (Table 7-6.) Providing a program costing $900 per ADA under the present foundation plan would cost 85 cents in a district having a valuation of $50,000 per ADA as contrasted with a tax rate of 25.83 cents in a junior college district having a valuation of $300,000 per ADA. Thus, under the present foundation program, the poorest of the five indicated districts would be required to tax itself over three times as much as the wealthy district to provide the same cost program.

For Alternate Proposal III the range of tax rates required to provide the given cost program is from 84.41 cents to 29.99 cents. The slight decrease in the cost of the program for the poor districts comes about from the flat grant incentive which these districts receive for taxing above the qualifying rate, while the slight increase in tax for the wealthy districts is related to the deletion of the basic aid provision.

It is under Alternate Proposals IV and V that the greatest tax equity is achieved, because to provide an 85 cent tax is simply out of the question for junior college districts. These two proposals bring the required taxing rate to a reasonable level which could conceivably be within the range of expectation of a junior college district. Under the conditions of Alternate Proposal IV, it would require a tax rate of 30 cents in the wealthiest of the indicated districts to provide the $900 program, and a tax rate of only 52.31 cents in the poorest of these districts to provide the same program. Thus, the poorest district could provide the same level of educational program as the wealthiest district at a tax rate considerably reduced from that which would be required under the present foundation program. We have previously noted that the major difference between Alternate Proposals IV and V relates to districts having a valuation greater than $220,000 per ADA, for districts above that amount would receive greater than the $480 flat grant with a 20 cent tax under Alternate Proposal IV, but would receive only $480 where the 20 cents is a state-wide property tax as established under the conditions of Alternate Proposal V.

We have attempted to explore the relationship between tax rate and financial resources availabel per ADA under the conditions of the present foundation program and the three Alternate Proposals under discussion. (Table 7.7.) If we may assume that a tax rate of 45 cents is levied in all school districts under the given conditions of each of the four plans, then the total amount available per ADA could be plotted for each school district in the State. The nature of the foundation program and Alternate Proposals III, IV, and V necessarily provide that these relationships will be straight lines or segments of straight lines. Furthermore, the slope of each of these straight line segments can be computed.

Thus, a slope of zero (M = .00) would indicate that the line representing total amount available per ADA is horizontal. This would mean, of course, that all districts in the State which taxed at a rate of 45 cents would have the same total amount of dollars available per ADA regardless of their valuation. It would be a situation of perfect equality of financial resource availability. And, the greater the slope, the greater the inequality in financial resources available per ADA between poor and wealthy districts would be. The nature of foundation programs, tending as they do to provide an equalization in financial resources available to districts of low or average valuation, still permits districts of great wealth to make available an inordinate amount of funds per ADA. It is inevitable, therefore, that, to some extent, the slope of the total amount available per ADA at a given tax rate will be considerably higher for districts with property valuation in the upper range. In the present foundation program, the slope is .20 for districts ranging in property valuation between $0 and $190,000, with the slope increasing to .45 for districts having property valuation above this level. Alternate Proposal III, by including a flat grant incentive, maintains the same two slopes (M = .20 and M = .45). However, the effect of the flat grant is to increase the number of districts within the range of the lower slope. For districts having a valuation between $0 and $240,000, the slope is .20 (M = .20).

Table 7-6

TAX RATE REQUIRED TO PROVIDE A PROGRAM COSTING $900 PER ADA

	Adj. Ass. Valuation of $50,000 per ADA	Adj. Ass. Valuation of $100,000 per ADA	Adj. Ass. Valuation of $150,000 per ADA	Adj. Ass. Valuation of $200,000 per ADA	Adj. Ass. Valuation of $300,000 per ADA
Present Foundation Program	85.00¢	55.00¢	45.00¢	38.75¢	25.83¢
Alternate Proposal 3	84.41¢	54.85¢	44.93¢	39.96¢	29.99¢
Alternate Proposal 4	52.31¢	46.25¢	42.11¢	39.09¢	30.00¢
Alternate Proposal 5	52.31¢	46.25¢	42.11¢	39.09¢	34.00¢

Table 7-7

SLOPE OF THE "TOTAL AMOUNT AVAILABLE PER ADA"* AT A TAX RATE OF 45¢

Range and Slope

Present Foundation Program	0 - $190,000 M=.20	$190,000 + M=.45	
Alternate Proposal 3	0 - $240,000 M=.20	$240,000 + M=.45	
Alternate Proposal 4	0 - $240,000 M=.15	$240,000 - $250,000 M=.35	$250,000 + M=.45
Alternate Proposal 5	0 - $250,000 M=.15	$250,000 + M=.25	

*Total Amount Available per ADA is the sum of District and State Aid

The use of the tax effort incentive plan in Alternate Proposal IV reduced the slope from M = .20 to M = .15 for the property valuation range from $0 and $240,000. An interesting phenomenon occurs in the range between $240,000 and $250,000 in property valuation. It would be quite natural for one to expect that the range would increase substantially above the $240,000 mark primarily because districts above this point in valuation receive more than $480 when taxing at the qualifying rate of 20 cents. Thus, their slope is greater than districts below this level. The reason why the slope increases from M = .35 to M = .45 at $250,000 valuation is that the tax effort incentive plan was based on a guaranteed valuation of $250,000. Thus, districts above this level in wealth raise a greater amount of funds locally than would be provided through the tax-effort incentive plan. It is interesting to note in Alternate Proposal IV that the increase in the slope of .20 (from M = .15 to M = .35) may be directly attributed to the additional resources raised by wealthy districts from the first 20 cents of tax rate. And, the increase in slope of .10 (from M = .35 to M = .45) is related to the establishment of the guaranteed valuation at $250,000.

The imposition of a state-wide property tax in Alternate Proposal V provides the same $480 for all junior college districts in the State and, thus, eliminates the increase in slope shown in the middle category of Alternate Proposal IV (Table 7-4). There are two categories in Alternate Proposal V. Between $0 and $250,000 property valuation per ADA, the slope is .15 and above $250,000 in property valuation M = .25. From the point of view of equality of financial resources available at a given tax rate, therefore, Alternate Proposal V appears to be the most equitable of the alternatives. If we may consider for a moment the ways in which Alternate Proposal V might be altered to reduce even further the slopes of the total amounts available per ADA at the given tax rate, the following points could be noted: (1) if the percentage of the difference between the amount raised by the district and the guaranteed valuation were raised from 40 per cent to a higher figure, the slope would be decreased; (2) if the amount of the guaranteed valuation in the tax effort incentive plan was set at a higher level (i.e. $300,000), then the range of the smaller slope would be broadened.

There is not at this time, any single financial support program that can be considered as the natural outgrowth of the current system, the only feasible alternative in terms of the political climate, and the only solution to the present problems of California. Any proposal that might be selected from the countless alternatives available would be simply an expression of the attempt of the body politic to improve the existing situation. We sincerely hope that those state committees, state employees, and, ultimately, elected governmental officials responsible for making the decisions about the nature of the junior college finance system most appropriate for California at this time, judiciously weigh, in terms of the possible impact on California junior college education, the alternatives which presently lie before them. We hope that this report has been of some value in that regard.

Appendix A

GLOSSARY

Vocabulary Relating to Finance Programs

The following abbreviations and terms constitute some of the basic descriptive vocabulary relating to finance support programs.

Adjusted Assessed Valuation Assessed Valuation with allowances for different assessment practices (Collier factor applied), Public Law 874, and misc. funds.

Adjusted Assessed Valuation Per Regular Student ADA Adjusted Assessed Valuation divided by the regular student ADA. (See regular student below)

A.D.A. (average daily attendance) Such attendance is kept separately for the following six categories of students attending a junior college: 1. district students, 2. students who are residents of another junior college district, 3. non-district students (those residing in territory not part of any junior college district) 4. non-resident students (out of state), 5. adults (including those from other junior college districts) 6. non-district adults (those residing in territory not part of any junior college district).

Assessed valuation. This is the assignment by the County Assessor and in some cases the City Assessor, of a value to each parcel of property, building contents, as well as other personal property in the district. This valuation is based on a percentage of the true market value. According to State law property should be assessed for tax purposes at 25 per cent of its fair market value.

Basic aid Basic aid is a flat guarantee (flat grant) of $125 per ADA ($120 constitutional requirement, $5.00 statutory requirement) apportioned to all districts maintaining junior colleges irrespective of wealth.

Defined adult An adult is defined as a person over 21 years of age who is enrolled in fewer than ten class hours of instruction (defined by education code section 5756) The state apportionment for non-district students and adults and non-resident students is limited to the $125 basic aid per unit of such enrollment.

District aid District aid is the local share of the foundation program. The local district's share is computed by multiplying the assessed valuation per ADA by the computation tax rate of .25 for each $100 of assessed valuation for regular pupils and .24 to determine an allowance for defined adults.

Equalization aid Equalization aid equals the difference between *basic aid plus district support and the foundation program.* If the total of basic aid plus district aid equals or exceeds the foundation program, the district will not receive equalization aid. Since such district received only basic aid they have sometimes been referred to as basic aid districts.

Foundation amount That amount defined by the foundation program as the minimum amount needed per each full-time student.

Flat grant See basic aid.

Foundation program The foundation program for students enrolled in standard, graded, junior college courses is a minimum guaranteed $600 per ADA including local district aid, state basic aid equalization aid, any portion of federal revenue. It is intended to guarantee a minimum educational program as expressed in dollars for all junior college districts whether rich or poor. The foundation program for "defined adults" is $490. ($230 max.)

Non-District A California resident whose residence is established in an area not within a junior college district.

Non-Resident Resident of an area outside California.

Out-of-District A student that is a resident of an area within a junior college district but is enrolled in a junior college outside of the district of his residence.

Regular student A resident of the district that is either a minor or is enrolled for 10 hours or more of classwork per week.

State aid Equalization aid plus basic aid. (Also State Support)

PRECEDING PAGE BLANK- NOT FILMED

Appendix B

SELECTED DATA ON CALIFORNIA COUNTIES, 1960

County	Total[a] Popul. (1)	Median[b] Family Income (2)	Median[c] years of Education (25 yrs and older) (3)	% 18-19[d] yrs. old in school (4)	Exp. on[e] Public Welfare General Revenue (5)	% employed[f] persons== prof., tech., and kindred workers (6)
Alameda	908,209	$6,766	12.1	44.2	45.8	14.3
Alpine	397	—	8.6	—	17.8	17.0
Amador	9,990	5,636	11.4	71.8	21.7	13.7
Butte	82,030	5,408	11.4	58.4	48.6	11.5
Calaveras	10,289	5,824	10.6	—	30.8	10.1
Colusa	12,075	5,604	11.7	58.9	28.7	7.7
Contra Costa	409,030	7,327	12.2	45.3	35.4	15.4
Del Norte	17,771	6,277	10.7	16.9	35.0	7.7
El Dorado	29,390	6,603	11.8	36.0	24.6	10.3
Fresno	365,945	5,634	10.5	45.8	50.0	9.8
Glenn	17,245	5,290	11.3	43.5	26.5	8.1
Humboldt	104,892	6,282	11.0	39.2	32.1	9.2
Imperial	72,105	5,507	9.0	37.0	32.0	6.8
Inyo	11,684	5,837	12.1	—	33.8	13.0
Kern	291,984	5,933	10.9	43.0	33.1	11.5
Kings	49,954	4,957	9.5	55.2	37.2	8.9
Lake	13,786	4,438	10.6	41.4	51.7	11.0
Lassen	13,597	5,861	11.0	49.8	22.8	10.4
Los Angeles	6,042,431	7,046	12.1	44.0	37.9	14.1
Madera	40,468	4,596	9.0	33.0	41.4	8.8
Marin	146,820	8,110	12.6	41.9	27.1	19.2
Mariposa	5,064	4,704	11.7	—	38.0	15.1
Mendocino	51,059	5,803	10.8	31.2	36.5	11.6
Merced	90,446	4,806	10.2	26.0	37.5	8.5
Modoc	8,308	5,709	12.0	—	26.0	8.4
Mono	2,213	6,321	12.4	—	7.3	10.8
Monterey	198,351	5,770	11.9	19.8	28.8	11.3
Napa	65,890	6,524	11.2	58.5	38.9	14.4
Nevada	20,911	5,419	11.5	44.0	41.3	13.3
Orange	703,925	7,219	12.2	39.4	22.0	14.7
Placer	56,998	6,069	11.1	45.2	34.4	12.1
Plumas	11,620	5,854	11.3	27.5	22.9	9.7
Riverside	306,191	5,693	11.9	46.0	37.7	12.0
Sacramento	502,778	7,100	12.2	43.2	38.5	14.7
San Benito	15,396	5,538	9.4	50.9	27.7	7.6
San Bernardino	503,591	5,998	11.8	38.1	45.7	12.3
San Diego	1,033,011	6,545	12.1	21.1	33.2	14.9
San Francisco	740,316	6,717	12.0	39.6	—	12.2
San Joaquin	249,989	5,889	10.0	43.2	38.0	9.8
San Luis Obispo	81,044	5,659	11.4	56.9	38.7	12.7
San Mateo	444,384	8,103	12.4	49.0	33.4	15.4
Santa Barbara	168,962	6,823	12.2	50.1	28.4	15.0
Santa Clara	642,315	7,417	12.2	57.2	35.4	18.6
Santa Cruz	84,219	5,325	11.0	46.5	43.6	10.9
Shasta	59,468	5,989	11.6	57.7	35.3	10.9
Sierra	2,247	5,863	11.6	—	17.2	9.4
Siskiyou	32,885	5,558	11.2	39.8	29.8	9.9
Solano	134,596	6,140	11.9	31.1	40.3	11.2
Sonoma	147,375	5,725	11.1	44.9	35.3	12.1
Stanislaus	157,294	5,260	10.0	44.9	47.9	10.0
Sutter	33,380	5,670	11.2	47.0	47.1	10.7
Tehama	25,305	5,589	11.5	34.9	40.0	9.7
Trinity	9,706	6,210	11.0	38.2	14.0	12.8
Tulare	168,403	4,815	9.4	39.8	48.8	9.1
Tuolume	14,404	5,602	11.5	51.6	38.3	10.8
Ventura	199,138	6,466	11.6	30.9	24.7	13.9
Yolo	65,727	6,240	11.5	60.0	33.4	13.2
Yuba	33,859	5,031	10.8	32.6	41.9	9.2
STATE	TOTAL 15,720,860 MEAN* 271,049	STATE** MEDIAN 6,726	STATE MEDIAN 12.1	MEDIAN*** 43.5	MEAN 37.2 MEDIAN 35.4	MEAN 13.7 MEDIAN 11.2

*"Mean" equals mean for State as a whole

**"State Median" equals median for State as a whole (e.g. the income of half the families in the State fall above (or below) $6,726)

***"Median" equals median for county data (i.e. half the counties fall above (or below) the figure given)

[a] Total Population, Source: U.S. States Census of Population, 1960, California-General Social and Economic Characteristics, Table 82.

[b] Median Family Income, Source: *Ibid.*, Table 86.

[c] Median Years of Education (25 yrs. and older), Source: California Statistical Abstract, 1965, Table L-2

[d] Percentage of Population 18-19 years old in school, Source: U.S. States Census of Population, *op. cit.*, Table 83.

[e] County Expenditures on Public Welfare divided by General Revenue, Source: 1962 Census of Governments: Finance of County Governments, Vol. 4, No. 2, Table 11.

[f] Percentage of Employed Persons classified as Professional, Technical and Kindred Workers, Source: California Statistical Abstract, *op. cit.*

Appendix C

SELECTED FINANCIAL DATA ON CALIFORNIA JUNIOR COLLEGE DISTRICTS, 1964-65 (DISTRICTS OPERANT IN 1962-63)*

	AAV[a] ADA	TCEE[b] ADA	TCEE-Tr.[c] ADA	Inst.[d] ADA
ALAMEDA				
South County	180207.9	599.4	593.1	467.3
CONTRA COSTA				
Contra Costa	135349.6	643.9	640.2	493.2
FRESNO				
Coalinga	399754.9	1077.3	1031.7	683.7
IMPERIAL				
Imperial	155848.8	662.2	657.5	473.3
KERN				
Kern	146086.8	604.8	590.7	462.1
West Kern	216291.4	801.1	788.8	609.4
LOS ANGELES				
Antelope Valley	93835.4	595.6	592.2	427.9
Cerritos	50090.6	606.2	602.5	452.9
Citrus	36686.1	575.0	571.2	414.7
Compton	90525.1	634.5	631.3	468.2
El Camino	114621.7	655.5	655.3	490.1
Los Angeles	189108.1	653.2	652.2	475.4
Mt. San Antonio	92143.2	649.0	642.9	481.6
Pasadena	40219.9	578.4	577.0	451.8
MARIN				
Marin	128205.7	630.9	626.6	478.9
MONTEREY				
Hartnell	123355.9	716.8	704.0	524.0
Monterey Peninsula	70730.7	610.5	609.5	491.6
ORANGE				
Fullerton	35230.3	541.4	540.2	439.5
Orange Coast	70620.4	441.8	439.6	339.4
Santa Ana	55997.0	484.3	484.2	376.1
PLACER				
Sierra	125392.5	587.2	560.5	429.6
RIVERSIDE				
Coachella Valley	264546.7	894.2	893.0	533.8
Riverside	70203.7	569.4	567.1	443.7
SACRAMENTO				
American River	89282.2	564.7	563.1	427.0
SAN BERNARDINO				
Barstow	230960.9	872.3	868.5	600.4
Chaffey Union	106794.1	608.0	598.2	439.8
San Bernardino Valley	63799.8	532.1	531.7	391.2
Victor Valley	204431.1	747.4	742.3	564.5
SAN DIEGO				
Grossmont	109626.4	575.6	575.4	470.9
Oceanside-Carlsbad	99103.9	608.4	607.9	466.1
Palomar	84567.6	590.2	581.3	431.5
Sweetwater	100318.4	535.1	535.1	425.9
SAN MATEO				
San Mateo	116834.6	536.4	533.8	426.5
SANTA CLARA				
Foothill	102816.3	607.5	606.8	477.2
SANTA CRUZ				
Cabrillo	113224.2	635.4	631.3	474.9
SISKIYOU				
Siskiyou	132518.7	725.9	720.9	551.7
SONOMA				
Santa Rosa	93701.3	505.6	544.7	425.0
STANISLAUS				
Modesto	36427.4	664.2	650.9	525.3
TULARE				
Sequoias	113765.4	607.7	576.5	433.0
VENTURA				
Ventura	162694.9	610.5	609.0	462.3
YUBA				
Yuba	30937.9	556.5	534.7	386.6

---

*Only districts which had a daily attendance in 1962-63 were included in this data in order to avoid the biases generally inherent in data for new districts.

[a] Adjusted Assessed Valuation divided by Average Daily Attendance. Source, AAV, California State Department of Education, 1964-65 Apportionment; ADA, *Annual Report of Financial Transactions Concerning School Districts*, 1964-65, Table 1C.

[b] Total Current Expense of Education divided by Average Daily Attendance. Source, TCEE, *Financial Transactions, op. cit.*, Table 3C; ADA *op. cit.*

[c] Total Current Expense of Education minus Pupil Transportation divided by Average Daily Attendance. Source, TCEE-Tr., *Financial Transactions, op. cit.*, Table 3C; ADA *op. cit.*

[d] Instruction (Certificated Personnel plus Classified Personnel plus Other Expense) divided by Average Daily Attendance. Source, Inst., *Financial Transactions, op. cit.*, Table 3C; *ADA op. cit.*

Appendix D

CALIFORNIA PUBLIC JUNIOR COLLEGES INCLUDED IN INPUT-OUTPUT STUDY

College

Allan Hancock College *1960:* Santa Barbara SMSA Census Tracts: GU 25, LO 27, 28, MR 26, OR 20, PF 18, SM 21-24, SY 19. *1950:* Approximation of above using Santa Barbara County minus Cities of Santa Barbara and Carpenteria.

Barstow College *1960:* San Bernardino-Riverside-Ontario SMSA Census Tracts: 89, 90, 93, 94, 95, 96, 103. *1950:* Approximation of above using Barstow (city).

Cabrillo College Santa Cruz County

College of the Desert *1960:* San Bernardino-Riverside-Ontario SMSA Census Tracts: 145-157, 158 (2/3). *1950:* Approximation of above using cities of Indio, Coachella, Palm Springs.

Coalinga College *1960:* Fresno SMSA Census Tracts: 77-84. Coalinga, Lemoore and Avenal added after approximation. *1950:* Approximation of above using cities of Coalinga, Mendota*, Dos Palos*. Add after approximation[1] Lemoore and Avenal.

College of the Sequoias *1960 & 1950:* Armona, Corcoran, Cutler, Exeter, Farmersville, Goshen, Hanford, Ivanhoe, Orosi, Pixley, Tulare, Visalia, Woodlake, Woodville.

Compton College *1960:* Los Angeles-Long Beach SMSA[2] Census Tracts: 5362, 5543, 5400-5403, 5405-5408, 5411-5432, 5535-5539, 5433. 1950: 524, 526A, 526B, 526C, 527A, 527B, 527C, 527D, 529B, 529C, 530A, 530B, 531B, 532, 534A, 534B, 535A, 535B, 535C, 535D, 535E, 535F, 536A, 536B, 335B.

Diablo Valley College *1960:* San Francisco-Oakland SMSA Census Tracts: 1-46, 55. *1950:* Approximation of above using cities of Antioch, Brentwood*, Byron*, Concord, Danville*, Diablo*, Knightsen*, Martinez, Oakley*, Pacheco*, Pittsburg, Port Chicago*, San Ramon*, Walnut Creek*.

Foothill College *1960:* San Jose SMSA Census Tracts: F46-47, H61, G48, N92-105, P117, M84, M86-91, L77-83, O 106-116. *1950:* Approximation of above using cities of Palo Alto, Mountain View, Sunnyvale.

Los Angeles City College *1960:* Los Angeles Census Tracts 1872, 1873, 1882, 1891-1899, 1901-1909, 1911-1919, 1921, 1927, 1941-1945, 1951-1959, 1971-1977, 2062-2064, 2071-2079, 2081-2089, 2091-2098, 2111-2119, 2121-2129, 2131-2134, 2141-2149, 2151-2153, 2161-2169, 2171, 2172, 2181-2189, 2191-2199, 2201, 2202, 2211-2219, 2221-2227, 2241-2247, 2261-2267, 2281-2289, 2291-2294, 2311-2319, 2321-2328, 2341-2349, 2351-2352, 2361-2364, 2371-2379, 2381-2386, 2391-2399, 2401-2407, 2691, 2692, 2694-2698, 2701-2703, 7001-7005, 7024. *1950:* Los Angeles Census Tracts 30, 31A, 32A, 32B, 51, 52A, 52B, 53, 54, 55A, 55B, 56, 57, 58A, 58B, 59, 61-67, 77, 78, 79A, 79B, 80A, 80B, 81-98, 99A, 99B, 100, 101B, 103-109, 110A, 110B, 111-114, 115A, 115B, 116, 117, 145A, 145B, 146A, 146B, 148-150, 151A, 151B, 152-154, 155A, 155B, 156-164, 165A, 165B, 166-169, 170A, 170B, 171-184, 185A, 185B, 186-189, 197A, 197B, 198-200, 201A, 201B, 202-206, 207A, 207B, 208-229, 231-275, 276A, 276B, 277, 279, 280A, 280B, 281, 342B, 364A, 364B, 365B, 366, 367, 368B, 384A, 384B, 385, 386, 387A, 387B.

Los Angeles Valley College *1960:* Los Angeles-Long Beach SMSA Census Tracts 1011-1014, 1021, 1031-1034, 1041-1048, 1061-1068, 1091, 1094-1096, 1171-1176, 1191-1199, 1201-1204, 1211-1219, 1221-1224, 1231-1239, 1241-1249, 1251-1256, 1271-1279, 1281-1289, 1321, 1411-1417, 1431-1439, 3201, 3203. *1950:* 1, 4A, 4B, 5-9, 10A, 10B, 10C, 11A, 12, 17A, 17B, 17C, 18A, 18B, 19A, 19B, 20, 20A, 21B, 21C, 22, 23A, 23B, 24, 25A, 25B, 25C, 29A, 29B, 556A, 556B, 555.

Modesto Jr. College *1950 & 1960:* Stanislaus and Tuolumne Counties. Cities of Gustine, Los Barnos and Ripon.

San Bernardino Valley College *1960:* San Bernardino-Riverside-Ontario SMSA Census Tracts: 27, 33, 35-71, 74, 76, 77, 101. *1950:* Approximation of above using cities of Bloomington, Colton, Crestman, Del Rsa, Highland, Rialto.

Sierra College: Nevada and Placer Counties

Ventura College: Ventura County

---

[1] No data available for 1950. Statistics were assumed to have remained relatively stable over the ten year period. Therefore, 1950 data were generated by projecting backwards from 1960, using same line as for other units.

[2] Census Tracts 5433 for 1960 and 335B for 1950 do not have the same northern boundaries.

*All starred areas originally included for data collection but subsequently not used because of unavailability of data, due to the small size of the areas.

Appendix E-1

*ESTIMATED COST UNDER PRESENT FOUNDATION PROGRAM, DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA**

COUNTIES Districts	**Resident Non-Adults ($600 Found. Prog., $125 Flat Grant, 25c tax rate)**	**"Defined Adults" ($490 Found. Prog. ($230 max.) $125 Flat Grant, 24c tax rate)**	**Non-Resident and Non-Dist. ($125 Flat Grant)**	**Total State Aid**
ALAMEDA				
Peralta	1,555,293	229.750	46,500	1,831,543
South County	546,393	60,625	75,125	682,143
CONTRA COSTA				
Contra Costa	1,803,340	190,841	34,250	2,028,431
FRESNO				
Coalinga	86,875	14,375	7,875	109,125
State Center	1,162,426	98,125	32,625	1,293,176
HUMBOLT				
Redwoods	76,500	22,875	7,625	107,000
IMPERIAL				
Imperial	171,731	14,125	3,625	89,481
KERN				
Kern	1,053,128	77,750	23,375	1,154,253
West Kern	58,500	12,250	10,250	81,000
LASSEN				
Lassen	139,636	13,570	16,500	169,706
LOS ANGELES				
Antelope Valley	354,260	62,162	11,000	427,422
Cerritos	1,517,878	167,900	60,750	1,746,528
Citrus	554,016	146,740	167,750	868,506
Compton	625,552	108,268	20,250	754,070
El Camino	1,795,307	216,334	32,875	2,044,516
Glendale	783,415	189,702	19,750	992,867
Long Beach	2,257,568	678,522	54,375	2,990,465
Los Angeles	5,367,250	1,053,500	247,000	6,667,750
Mt. San Antonio	1,068,193	148,982	156,750	1,373,925
Pasadena	2,009,832	484,150	411,375	2,905,357
Rio Hondo	875,201	61,653	10,875	947,729
Santa Monica	178,750	192,250	21,000	392,000
MARIN				
Marin	666,568	83,946	15,000	765,514
MERCED				
Merced	333,528	74,229	9,125	416,882
MONTEREY				
Hartnell	386,477	36,750	26,500	449,727
Monterey Peninsula	743,509	91,310	26,500	861,319
NAPA				
Napa	27,125	51,980	429,183	508,288
ORANGE				
North Orange	1,863,507	285,052	274,750	2,423,309
Orange Coast	999,324	230,574	361,875	1,591,773
Santa Ana	381,619	61,886	226,000	669,505
PLACER				
Sierra	331,100	14,875	26,375	372,350
RIVERSIDE				
Coachella Valley	110,000	36,375	15,125	161,500
Mt. San Jacinto	41,625	6.875	750	49,250
Palo Verde	39,043	9,750	5,875	54,668
Riverside	1,213,672	127,420	54,250	1,395,342
SACRAMENTO				
Los Rios	3,081,092	271,613	89,625	3,442,330
SAN BERNARDINO				
Barstow	33,875	12,125	3,875	49,875
Chaffey Union	532,464	72,625	89,375	694,464
San Bernardino Valley	1,312,385	268,729	190,000	1,771,114
Victor Valley	58,375	20,625	3,750	82,750
SAN DIEGO				
Grossmont	1,022,491	80,040	8,125	1,110,656
Oceanside-Carlsbad	234,226	17,946	19,000	271,172
Palomar	479,114	76,802	65,875	621,791
San Diego	2,637,047	779,344	54,125	3,470,516
Sweetwater	667,734	76,590	20,625	764,949

Appendix E-1 (Continued)

SAN FRANCISCO				
San Francisco	979,250	56,125	59,500	1,094,875
SAN JOAQUIN				
San Joaquin Delta	1,289,717	118,903	29,125	1,437,745
SAN LUIS OBISPO				
San Luis Obispo	107,875	25,000	1,875	134,750
SAN MATEO				
San Mateo	1,159,469	229,125	85,250	1,473,844
SANTA BARBARA				
Allan Hancock	215,447	78,125	15,625	309,197
Santa Barbara	316,214	115,375	18,875	450,464
SANTA CLARA				
Foothill	1,911,591	235,798	62,625	2,210,014
Gavilan	89,618	9,000	2,625	101,243
San Jose	469,438	147,000	43,625	660,063
West Valley	676,059	53,625	4,375	734,059
SANTA CRUZ				
Cabrillo	502,697	31,878	13,625	548,200
SHASTA				
Shasta	327,113	34,392	94,375	455,880
SISKIYOU				
Siskiyou	173,518	18,084	13,750	205,352
SOLANO				
Vallejo	683,119	72,680	33,750	789,549
SONOMA				
Santa Rosa	628,697	91,269	78,875	798,841
STANISLAUS				
Yosemite	1,184,511	188,990	46,500	1,420,001
TULARE				
Porterville	160,925	11,459	9,875	182,259
Sequoias	753,469	53,205	6,250	812,924
VENTURA				
Ventura	457,125	111,375	10,250	578,750
YUBA				
Yuba	218,791	56,990	218,625	494,406
TOTAL	53,943,635	8,770,305	3,934,500	66,648,440

*The estimates for 1965-66 state aid for Non-"Defined" Adults (Col. 1) were made by taking 1965-66 Adjusted Assessed Valuation per resident non-adult ADA for each district and multiplying this figure by the $0.0025 tax rate. This gave district aid per resident non-adult ADA, which was then subtracted from the $600 Foundation Program, giving state aid per resident non-adult ADA. This state aid figure for each district was in turn multiplied by the resident non-adult ADA figure for that district to arrive at the estimated value for total state aid for resident non-adults due to that district. If a district's support per ADA was $475 or more, then its resident non-adult ADA figure was multiplied by the $125 flat grant figure presently in use to get total state aid for that district.

State support due each district for its defined adult ADA (Col. 2) was figured in the same manner as above but on the basis of the defined adult support program. That is, the wealth of each district measured in terms of Adjusted Assessed Valuation per resident non-adult ADA was multiplied by the $0.0024 tax rate applicable to the adult support program. The resultant figure was then subtracted from the $490 figure on which the adult program is based to get the figure for state aid. As the law is presently constituted, this state aid figure per adult ADA cannot be more than $230 nor less than $125. Taking this into account, total state support was arrived at by multiplying state aid per adult ADA by adult ADA district by district.

A $125 flat grant is provided by the state for adult and non-adult, non-district and non-resident ADA (Col. 3). Therefore, the estimate of state support due for those categories was made by multiplying their total ADA for each district by $125.

The estimate for total state support for each district (Col. 4) was arrived at by adding the totals for the above three separate estimates.

In making the above estimate for state aid to Junior College Districts for 1965-66 it was not possible to take into account all of the factors that in fact go into determining the extent of state support (e.g. the supplementary amounts given to J. C. Districts with ADA's of less than 1001). However, the figure we arrived at should be reasonably accurate.

Our estimate shows an increase in state aid for 1965-66 over 1964-65 of approximately $20 million. The increase between 1963-64 and 1964-65 was about $14.5 million. Taking into account the fact that this latter increase was partially due to an increase in the resident non-adult foundation program of from $570 to $600, leaves us with a comparable increase of approximately $12.5 million. The difference between this $12.5 million increase and our $20 million increase and our $20 million estimated increase seems reasonable in view of the relatively greater increase in ADA than in Adjusted Assessed Valuation in 1965-66 as compared to 1964-65. Total ADA increased 21.3 per cent in 1965-66 as compared to an 11.5 per cent increase in Adjusted Assessed Valuation, while these figures for 1964-65 were much closer together at 16.9 per cent and 13.0 per cent, respectively

Appendix E-2

ESTIMATED COST FOR ALTERNATE PROPOSAL I DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA

COUNTIES Districts	Regular Students and Graded Adults ($600 Found. Prog., $125 Flat Grant, 25c tax rate)	Non-Graded Adults ($125 Flat Grant)	Non-Resident and Non-Dist. ($125 Flat Grant)	Total State Aid
ALAMEDA				
Peralta	2,376,693	58,625	46,500	2,481,818
South County	762,993	15,500	75,125	853,618
CONTRA COSTA				
Contra Costa	2,442,940	45,625	34,250	2,522,815
FRESNO				
Coalinga	97,625	3,625	7,875	109,125
State Center	1,513,426	25,000	32,625	1,571,051
HUMBOLT				
Redwoods	93,500	5,875	7,625	107,000
IMPERIAL				
Imperial	222,131	3,625	3,625	229,381
KERN				
Kern	1,330,928	19,875	23,375	1,374,178
West Kern	67,625	3,125	10,250	81,000
LASSEN				
Lassen	166,036	1,875	16,500	184,411
LOS ANGELES				
Antelope Valley	505,460	10,750	11,000	528,910
Cerritos	1,844,278	23,250	60,750	1,928,278
Citrus	839,016	20,375	167,750	1,027,141
Compton	895,552	19,250	20,250	935,052
El Camino	2,433,707	45,500	32,875	2,512,082
Glendale	1,192,015	29,125	19,750	1,240,890
Long Beach	3,704,768	103,250	54,375	3,862,393
Los Angeles	8,720,081	268,625	247,000	9,235,706
Mt. San Antonio	1,527,193	32,750	156,750	1,716,693
Pasadena	2,950,632	67,125	411,375	3,429,132
Rio Hondo	1,019,801	10,375	10,875	1,041,051
Santa Monica	773,450	49,000	21,000	843,450
MARIN				
Marin	947,368	20,000	15,000	982,368
MERCED				
Merced	502,728	12,125	9,125	523,978
MONTEREY				
Hartnell	517,877	9,375	26,500	553,752
Monterey Peninsula	921,109	12,625	26,500	960,234
NAPA				
Napa	529,983	7,250	27,125	564,358
ORANGE				
North Orange	2,612,907	53,375	274,750	2,941,032
Orange Coast	1,798,524	57,000	361,875	2,217,399
Santa Ana	569,419	13,375	226,000	808,794
PLACER				
Sierra	384,500	3,750	26,375	414,625
RIVERSIDE				
Coachella Valley	137,125	9,250	15,125	161,500
Mt. San Jacinto	46,750	1,750	750	49,250
Palo Verde	73,843	2,500	5,875	82,218
Riverside	1,461,472	17,625	54,250	1,533,347
SACRAMENTO				
Los Rios	3,669,092	42,000	89,625	3,800,717
SAN BERNARDINO				
Barstow	42,875	3,125	3,875	49,875
Chaffey Union	792,264	18,500	89,375	900,139
San Bernardino Valley	1,835,585	37,250	190,000	2,062,835
Victor Valley	73,750	5,250	3,750	82,750

Appendix E-2 (Continued)

SAN DIEGO				
Grossmont	1,177,891	11,125	8,125	1,197,141
Oceanside-Carlsbad	276,226	3,000	19,000	298,226
Palomar	656,114	12,625	65,875	734,614
San Diego	4,308,047	116,875	54,125	4,479,047
Sweetwater	816,534	10,625	20,625	847,784
SAN FRANCISCO				
San Francisco	1,021,000	14,250	59,500	1,094,750
SAN JOAQUIN				
San Joaquin Delta	1,569,317	19,875	29,125	1,618,317
SAN LUIS OBISPO				
San Luis Obispo	126,500	6,375	1,875	134,750
SAN MATEO				
San Mateo	1,979,069	58,375	85,250	2,122,694
SANTA BARBARA				
Allan Hancock	495,047	19,875	15,625	530,547
Santa Barbara	729,014	29,375	18.875	777,264
SANTA CLARA				
Foothill	2,398,191	34,750	62,625	2,495,566
Gavilan	122,018	2,250	2,625	126,893
San Jose	995,038	37,500	43,625	1,076,163
West Valley	868,059	13,625	4,375	886,059
SANTA CRUZ				
Cabrillo	587,297	6,000	13,625	606,922
SHASTA				
Shasta	445,313	8,375	94,375	548,063
SISKIYOU				
Siskiyou	213,118	2,875	13,750	229,743
SOLANO				
Vallejo	824,119	10,125	33,750	867,994
SONOMA				
Santa Rosa	893,297	18,875	78,875	991,047
STANISLAUS				
Yosemite	1,591,911	29,125	46,500	1,667,536
TULARE				
Porterville	191,525	2,125	9,875	203,525
Sequoias	881,269	9,125	6,250	896,644
VENTURA				
Ventura	645,908	28,375	10,250	684,533
YUBA				
Yuba	330,391	8,000	218,625	557,016
TOTAL	76,539,218	1,701,750	3,934,500	82.175.468

Appendix E-3

ESTIMATED COST FOR ALTERNATE PROPOSAL II DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA

COUNTIES Districts	**Regular Students ($600 Found. Prog., 23c tax rate, No Flat Grant)**	**"Defined Adults" ($490 Found. Prog. ($230 max.), $125 Flat Grant, 24c tax rate)**	**Non-Resident and Non-Dist. ($125 Flat Grant)**	**Total State Aid**
ALAMEDA				
Peralta	1,783,477	299,750	46,500	2,129,727
South County	657,625	60,625	75,125	793,375
CONTRA COSTA				
Contra Costa	2,037,888	190,841	34,250	2,262,979
FRESNO				
Coalinga	0	14,375	7,875	22,250
State Center	1,344,136	98,125	32,625	1,474,886
HUMBOLT				
Redwoods	0	22,875	7,625	30,500
IMPERIAL				
Imperial	205,464	14,125	3,625	223,214
KERN				
Kern	1,201,726	77,750	23,375	1,302,851
West Kern	0	12,250	10,250	22,500
LASSEN				
Lassen	144,161	13,370	16,500	174,231
LOS ANGELES				
Antelope Valley	386,399	62,162	11,000	459,561
Cerritos	1,615,760	167,900	60,750	1,844,410
Citrus	577,375	146,740	167,750	891,865
Compton	684,180	108,268	20,250	812,698
El Camino	2,000,018	216,334	32,875	2,249,227
Glendale	843,718	189,702	19,750	1,053,170
Long Beach	2,428,946	678,552	54,375	3,161,873
Los Angeles	6,617,490	1,053,500	247,000	7,917,990
Mt. San Antonio	1,195,762	148,982	156,750	1,501,494
Pasadena	2,106,373	484,150	411,375	3,001,898
Rio Hondo	951,153	61,653	10,875	1,023,681
Santa Monica	147,622	192,250	21,000	360,872
MARIN				
Marin	753,067	83,946	15,000	852,013
MERCED				
Merced	361,374	74,229	9,125	444,728
MONTEREY				
Hartnell	440,902	36,750	26,500	504,152
Monterey Peninsula	784,204	91,310	26,500	902,014
NAPA				
Napa	448,080	51,980	27,125	527,185
ORANGE				
North Orange	2,049,754	285,052	274,750	2,609,556
Orange Coast	1,133,602	230,574	361,875	1,726,051
Santa Ana	426,450	61,886	226,000	714,336
PLACER				
Sierra	1,133,602	14,875	26,375	423,526
RIVERSIDE				
Coachella Valley	0	36,375	15,125	51,500
Mt. San Jacinto	0	6,875	750	7,625
Palo Verde	45,423	9,750	5,875	61,048
Riverside	1,274,162	127,420	54,250	1,455,832
SACRAMENTO				
Los Rios	3,320,173	271,613	89,625	3,681,411

Appendix E-3 (Continued)

SAN BERNARDINO				
Barstow	0	12.125	3,875	16,000
Chaffey Union	620,091	72,625	89,375	782,091
San Bernardino				
Valley	1,398,962	268,729	190,000	1,857,691
Victor Valley	0	20,625	3,750	24,375
SAN DIEGO				
Grossmont	1,077,156	80,040	8,125	1,165,321
Oceanside-Carlsbad	254,464	17,946	19,000	291,410
Palomar	519,649	76,802	65,875	662,326
San Diego	2,838,787	779,344	54,125	3,672,256
Sweetwater	798,587	76,590	20,625	805,802
SAN FRANCISCO				
San Francisco	699,396	56,125	59,500	815,021
SAN JOAQUIN				
San Joaquin Delta	1,401,676	118,903	29,125	1,549,704
SAN LUIS OBISPO	0	25,000	1,875	26,875
San Luis Obispo				
SAN MATEO	1,422,775	229,125	85,250	1,737,150
San Mateo	270,355	78,125	15,625	364,105
SANTA BARBARA	382,693	115,375	18.875	516,943
Allan Hancock	2,049,832	235,798	62,625	2,348,255
Santa Barbara				
SANTA CLARA	113,744	9,000	2,625	125,369
Foothill				
Gavilan	584,523	147,000	43,625	775,148
San Jose				
West Valley	779,510	53,625	4,375	837,510
SANTA CRUZ				
Cabrillo	553,441	31,878	13,625	598,944
SHASTA				
Shasta	370,640	34,392	94,375	499,407
SISKIYOU				
Siskiyou	187,285	18,084	13,750	219,119
SOLANO				
Vallejo	701,574	72,680	33,750	808,004
SONOMA				
Santa Rosa	699,025	91,269	78,875	869,169
STANISLAUS				
Yosemite	1,275,894	188,990	46,500	1,511,384
TULARE	177,187	11,459	9,875	198,521
Porterville				
Sequoias	820,823	53,205	6,250	880,278
VENTURA				
Ventura	403,244	111,375	10,250	524,869
YUBA				
Yuba	233,400	56,990	218,625	509,015
TOTAL	58,893,448	8,770,305	3,934,500	71,598,253

APPENDIX E-4

ESTIMATED COST FOR ALTERNATE PROPOSAL III

DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA

COUNTIES Districts	Regular Students ($600 Foundation Program, 25c tax rate)	Flat Grant Incentive ($50 per 10c tax above 25c 45c maximum)	"Defined Adult" ($490 Fourdation Program, $230 maximum, 24c tax rate)	Non-District, Non-Resident ($125 Flat Grant	Total State Aid
ALAMEDA					
Peralta	1,555,293	734,600	229,750	46,500	2,566,143
South County	546,393	193,680	60,625	75,125	875,823
CONTRA COSTA					
Contra Costa	1,803,340	789,200	190,841	34,250	2,817,631
FRESNO					
Coalinga	0	34,750	14,375	7,875	57,000
State Center	1,162,426	572,300	98,125	32,625	1,865,476
HUMBOLT					
Redwoods	0	48,960	22,875	7,625	79,460
IMPERIAL					
Imperial	171,731	84,065	14,125	3,625	273,546
KERN					
Kern	1,053,128	388,080	77,750	23,375	1,542,333
West Kern	0	46,800	12,250	10,250	69,300
LASSEN					
Lassen	139,636	22,890	13,570	16,500	192,596
LOS ANGELES					
Antelope Valley	354,260	107,100	62,162	11,000	534,522
Cerritos	1,517,878	456,900	167,900	60,750	2,203,428
Citrus	554,016	141,000	146,740	167,750	1,009,506
Compton	625,552	181,120	108,268	20,250	935,190
El Camino	1,795,307	725,700	216,334	32,875	2,770,216
*Glendale	783,415	256,200	189,702	19,750	1,249,067
*Long Beach	2,257,568	733,300	678,552	54,375	3,723,795
Los Angeles	4,952,681	2,790,970	1,053,500	247,000	9,044,151
Mt. San Antonio	1,068,193	443,800	148,982	156,750	1,817,725
Pasadena	2,009,832	536,100	484,150	411,375	3,441,457
Rio Hondo	875,201	304,100	61,653	10,875	1,251,829
*Santa Monica	85,850	143,000	192,250	21,000	442,100
MARIN					
Marin	666,568	291,300	83,946	15,000	1,056,814
MERCED					
Merced	333,528	113,600	74,229	15,000	530,428
MONTEREY					
Hartnell	386,477	177,800	36,750	9,125	627,527
Monterey Peninsula	743,509	198,265	91,310	26,500	1,059,584
NAPA					
Napa	429,183	110,900	51,980	27,125	619,188
ORANGE					
North Orange	1,863,507	454,090	285,052	274,750	2,877,399
Orange Coast	999,324	446,300	230,514	361,875	2,038,013
Santa Ana	381,619	78,500	61,886	226,000	748,005
PLACER					
Sierra	331,100	161,800	14,875	26,375	534,150
RIVERSIDE					
Coachella Valley	0	44,000	36,375	15,125	95,500
Mt. San Jacinto	0	33,300	6,875	750	40,925
*Palo Verde	39,043	19,800	9,750	5,875	74,468
Riverside	1,213,672	311,885	127,420	54,250	1,707,227
SACRAMENTO					
Los Rios	3,081,092	961,020	271,613	89,625	4,403,350

Appendix E-4 (Continued)

SAN BERNARDINO					
Barstow	0	16,260	12,125	3,875	32,260
Chaffey Union	532,464	244,170	72,625	89,375	938,634
San Bernardino Valley	1,312,385	399,100	268,729	190,000	2,170,214
Victor Valley	0	39,695	20,625	3,750	64,070
SAN DIEGO					
Grossmont	1,022, 491	199,010	80,040	8,125	1,309,666
Oceanside-Carlsbad	234,226	48,720	17,946	19,000	319,892
Palomar	479,114	147,870	76,802	65,875	769,661
*San Diego	2,637,047	859,800	779,344	54,125	4,330,316
Sweetwater	667,734	176,760	76,590	20,625	941,709
SAN FRANCISCO					
*San Francisco	351,482	783,400	56,125	59,500	1,250,507
SAN JOAQUIN					
San Joaquin Delta	1,289,717	448,200	118,903	29,125	1,885,945
SAN LUIS OBISPO					
San Luis Obispo	0	64,725	25,000	1,875	91,600
SAN MATEO					
San Mateo	1,159,469	407,990	229,125	85,250	1,881,834
SANTA BARBARA					
Hancock (Allan)	215,447	75,150	78,125	15,625	384,347
Santa Barbara	316,214	181,640	115,375	18,875	632,104
SANTA CLARA					
Foothill	1,911,591	545,940	235,798	62,625	2,835,954
Gavilan	89,618	65,200	9,000	2,625	166,443
San Jose	469,438	206,700	147,000	43,625	866,763
West Valley	676,059	328,200	53,625	4,375	1,062,259
SANTA CRUZ					
Cabrillo	502,697	142,125	31,878	13,625	690,325
SHASTA					
Shasta	327,113	145,200	34,392	94,375	601,080
SISKIYOU					
Siskiyou	173,518	57,600	18,084	13,750	262,952
SOLANO					
*Vallejo	683,119	152,300	72,680	33,750	941,849
SONOMA					
Santa Rosa	628,697	213,605	91,269	78,875	1,012,446
STANISLAUS					
Yosemite	1,184,511	387,800	188,990	46.500	1,807,801
TULARE					
*Porterville	160,925	60,700	11,459	9,875	242,959
Sequoias	753,469	265,900	53,205	6,250	1,078,824
VENTURA					
Ventura	247,508	201,135	111,375	10,250	570,268
YUBA					
Yuba	218,791	66,900	56,990	218,625	561,306
STATE TOTAL	52,025,156	20,068,970	8,770,305	3,934,500	84,798,931

---

*The tax rates applicable solely to Junior Colleges are not available for unified or High School Districts, therefore, in order to avoid underestimating total costs to the state, it was assumed that these districts were taxing at a rate of 45 cents.

APPENDIX E-5

ESTIMATED COST FOR ALTERNATE PROPOSAL IV DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA

COUNTIES Districts	Regular Students ($480 Foundation Program, 20c tax rate)	Tax-Effort Incentive ($250,000 Guaranteed Valuation)*	"Defined Adults" ($490 Foundation Program, $230 max., $125 Flat Grant, 24c tax rate)	Non-Resident Non-District ($125 Flat Grant)	Total State Aid
ALAMEDA					
Peralta	1,244,234	834,692	229,750	46,500	2,355,176
South County	437,114	170,569	60,625	75,125	743,433
CONTRA COSTA					
Contra Costa	1,442,672	800,256	190,841	34,250	2,468,019
FRESNO					
Coalinga	0	0	14,375	7,875	22,250
State Center	929,941	626,640	98,125	32,625	1,687,331
HUMBOLT					
Redwoods	0	0	22,875	7,625	30,500
IMPERIAL					
Imperial	137,385	69,152	14,125	3,625	224,287
KERN					
Kern	842,502	394,599	77,750	23,375	1,338,226
West Kern	0	0	12,250	10,250	22,500
LASSEN					
Lassen	111,709	44,935	13,570	16,500	186,714
LOS ANGELES					
Antelope Valley	283,408	135,788	62,162	11,000	492,358
Cerritos	1,214,303	652,841	167,900	60,750	2,095,794
Citrus	443,213	263,991	146,740	167,750	1,021,694
Compton	500,442	229,203	108,268	20,250	858,163
El Camino	1,436,245	948,831	216,334	32,875	2,634,285
**Glendale	626,732	406,783	189,702	19,750	1,242,967
**Long Beach	1,806,054	1,171,629	678,522	54,375	3,710,580
Los Angeles	3,962,145	1,735,526	1,053,500	247,000	6,998,171
Mt. San Antonio	854,555	565,989	148,982	156,750	1,726,276
Pasadena	1,607,865	1,029,501	484,150	411,375	3,532,441
Rio Hondo	700,161	456,588	61,653	10,875	1,229,277
**Santa Monica	68,680	58,368	192,250	21,000	340,298
MARIN					
Marin	533,255	354,909	83,946	15,000	987,110
MERCED					
Merced	266,823	173,726	74,229	9,125	523,903
MONTEREY					
Hartnell	309,181	206,845	36,750	26,500	579,276
Monterey Peninsula	594,807	305,543	91,310	26,500	1,018,160
NAPA					
Napa	343,347	219,316	51,980	27,125	641,768
ORANGE					
North Orange	1,490,805	586,989	285,052	274,750	2,637,596
Orange Coast	799,459	533,232	230,574	361,875	1,925,140
Santa Ana	305,295	101,009	61,886	226,000	394,190
PLACER					
Sierra	264,880	178,344	14,875	26,375	484,474
RIVERSIDE					
Coachella Valley	0	0	36,375	15,125	51,500
Mt. San Jacinto	0	0	6,875	750	7,625
**Palo Verde	31,234	21,116	9,750	5,875	67,975
Riverside	970,937	497,567	127,420	54,250	1,650,174
SACRAMENTO					
Los Rios	2,464,874	1,280,253	271,613	89,625	4,106,365
SAN BERNARDINO					
Barstow	0	0	12,125	3,875	16,000
Chaffey Union	425,971	220,906	72,625	89,375	808,877
San Bernardino Valley	1,049,908	564,864	268,729	190,000	2,073,501
Victor Valley	0	0	20,625	3,750	24,375
SAN DIEGO					
Grossmont	817,993	332,444	80,040	8,125	1,238,602
Oceanside-Carlsbad	187,381	69,231	17,946	19,000	293,558
Palomar	383,291	191,429	76,802	65,875	717,397
**San Diego	2,109,637	1,368,958	779,344	54,125	4,312,064
Sweetwater	534,187	263,795	76,590	20,625	895,197

Appendix E-5 (Continued)

SAN FRANCISCO					
San Francisco	281,186	262,719	56,125	59,500	659,530
SAN JOAQUIN					
San Joaquin Delta	1,031,774	583,135	118,903	29,125	1,762,937
SAN LUIS OBISPO					
San Luis Obispo	0	0	25,000	1,875	26,875
SAN MATEO					
San Mateo	927,575	344,299	229,125	85,250	1,586,249
SANTA BARBARA					
Allan Hancock	172,357	60,725	78,125	15,625	326,832
Santa Barbara	252,971	139,781	115,375	18,875	527,002
SANTA CLARA					
Foothill	1,529,273	759,273	235,798	62,625	2,586,969
Gavilan	71,694	42,367	9,000	2,625	125,686
San Jose	375,550	158,094	147,000	43,625	724,269
West Valley	540,847	363,892	53,625	4,375	962,739
SANTA CRUZ					
Cabrillo	402,157	176,023	31,878	13,625	623,683
SHASTA					
Shasta	261,690	174,438	34,392	94,375	564,895
SISKIYOU					
Siskiyou	138,814	90,201	18,084	13,750	260,849
SOLANO					
**Vallejo	546,946	346,173	72,680	33,750	999,549
SONOMA					
Santa Rosa	502,958	243,416	91,269	78,875	916,518
STANISLAUS					
Yosemite	947,609	574,094	118,990	46,500	1,687,193
TULARE					
**Porterville	128,740	84,528	11,459	9,875	234,602
Sequoias	602,775	393,573	53,205	6,250	1,055,803
VENTURA					
Ventura	198,007	86,767	111,375	10,250	406,399
YUBA					
Yuba	175,033	105,511	56,990	218,625	556,159
TOTAL	41,620,124	23,054,916	8,770,305	3,934,500	77,379,845

---

*A 20 cent base tax rate was used with the state providing 40 percent of its computed share. The aid to each district was based on its 1965-66 tax rate up to a maximum of 50 cents.

**The tax rates applicable solely to Junior Colleges are not available for unified or High School Districts, therefore, in order to avoid underestimating total costs to the state it was assumed that these districts were taxing at a rate of 50 cents.

APPENDIX E-6

ESTIMATED COST FOR ALTERNATE PROPOSAL V

DISTRICTS MAINTAINING JUNIOR COLLEGES, 1965-66 DATA

COUNTIES Districts	Regular Students Including Non-District ($480 Flat Grant)*	Tax-Effort Incentive ($250,000 Guaranteed Valuation)**	"Defined Adults" ($490 Foundation Program, $230 maximum, $125 Flat Grant, 24c tax rate)	Non-Resident, Non-District Adults ($125 Flat Grant)	Total State Aid
ALAMEDA					
Peralta	3,560,160	834,692	229,750	37,625	4,662,227
South County	1,755,840	170,569	60,625	21,375	2,008,409
CONTRA COSTA					
Contra Costa	3,828,000	800,256	190,841	23,875	4,842,972
FRESNO					
Coalinga	337,440	0	14,375	6,875	358,690
State Center	2,774,880	626,640	98,125	25,375	3,525,020
HUMBOLT					
Redwoods	308,640	0	22,875	3,750	335,265
IMPERIAL					
Imperial	478,080	69,152	14,125	2,750	564,107
KERN					
Kern	2,363,040	394,599	77,750	14,375	2,849,764
West Kern	228,480	0	12,250	9,250	249,980
LASSEN					
Lassen	189,600	44,935	13,570	8,000	256,105
LOS ANGELES					
Antelope Valley	623,520	135,788	62,162	6,750	828,220
Cerritos	2,214,720	652,841	167,900	55,125	3,090,586
Citrus	1,199,520	263,991	146,740	31,625	1,641,876
Compton	1,088,160	229,203	108,268	19,875	1,445,506
El Camino	3,489,600	948,831	216,334	31,250	4,686,015
***Glendale	1,252,320	406,783	189,702	13,875	1,862,680
***Long Beach	3,557,280	1,171,629	678,522	44,625	5,452,056
Los Angeles	20,797,440	1,735,526	1,053,500	198,250	23,784,716
Mt. San Antonio	2,582,880	565,989	148,982	38,875	3,336,726
Pasadena	3,732,960	1,029,051	484,150	109,375	5,355,536
Rio Hondo	1,467,360	456,588	61,653	8,875	1,994,476
Santa Monica	393,600	58,368	192,250	19,125	963,343
MARIN					
Marin	1,418,880	354,909	83,946	9,625	1,867,360
MERCED					
Merced	570,240	173,726	74,229	2,625	820,820
MONTEREY					
Hartnell	854,400	206,845	36,750	26,250	1,124,245
Monterey Peninsula	1,023,840	305,543	91,310	23,250	1,443,943
NAPA					
Napa	789,600	219,316	51,980	10,125	1,071,021
ORANGE					
North Orange	4,125,120	586,989	285,052	73,750	5,070,911
Orange Coast	3,145,440	533,232	230,574	100,625	4,009,871
Santa Ana	1,314,240	101,009	61,886	80,000	1,557,135
PLACER					
Sierra	843,360	178,344	14,875	9,000	1,045,579
RIVERSIDE					
Coachella Valley	442,080	0	36,375	10,000	488,455
Mt. San Jacinto	160,800	0	6,875	500	168,175
***Palo Verde	97,920	21,116	9,750	5,125	133,911
Riverside	1,722,240	497,567	127,420	16,125	2,263,352
SACRAMENTO					
Los Rios	5,117,760	1,280,253	271,613	21,375	6,691,001
SAN BERNARDINO					
Barstow	132,480	0	12,125	3,250	147,855
Chaffey Union	1,555,200	220,906	72,625	23,500	1,872,231
San Bernardino Valley	2,421,600	564,864	268,729	58,250	3,313,443
Victor Valley	226,080	0	20,625	3,250	249,955
SAN DIEGO					
Grossmont	1,376,640	332,444	80,040	5,000	1,794,124
Oceanside-Carlsbad	435,840	69,231	17,946	8,250	531,267
Palomar	985,920	191,429	76,802	14,500	1,268,651
***San Diego	4,201,440	1,368,958	779,344	34,750	6,384,492
Sweetwater	987,840	263,795	76,590	8,875	1,337,100

Appendix E-6 (Continued)

SAN FRANCISCO					
San Francisco	3,806,400	262,719	56,125	47,500	4,172,744
SAN JOAQUIN					
San Joaquin Delta	2,242,560	583,135	118,903	5,375	2,949,973
SAN LUIS OBISPO					
San Luis Obispo	416,160	0	25,000	1,375	442,535
SAN MATEO					
San Mateo	3.777,120	344,299	229,125	28,875	4,379,419
SANTA BARBARA					
Allan Hancock	723,840	60,725	78,125	15,000	877,690
Santa Barbara	938,880	139,781	115,375	13,375	1,207,411
SANTA CLARA					
Foothill	3,056,160	759,273	235,798	25,000	4,076,231
Gavilan	317,760	42,367	9,000	1,375	370,502
San Jose	1,615,200	158,094	147,000	20,500	1,940,794
West Valley	1,578,240	363,892	53,625	3,625	1,999,382
SANTA CRUZ					
Cabrillo	924,000	176,023	31,878	9,875	1,141,776
SHASTA					
Shasta	997,440	174,438	34,392	16,125	1,222,395
SISKIYOU					
Siskiyou	314,400	90,201	18,084	3.875	426,560
SOLANO					
***Vallejo	793,440	346,173	72,680	17,500	1,229,793
SONOMA					
Santa Rosa	1,443,360	243,416	91,269	17,125	1,795,170
STANISLAUS					
Yosemite	1,943,040	574,094	118,990	25,250	2,661,374
TULARE					
***Porterville	305,280	84,528	11,459	6,250	407,517
Sequoias	1,290,720	393,573	53,205	2,500	1,739,998
VENTURA					
Ventura	1,761,600	86,767	111,375	8,625	1,968,367
YUBA					
Yuba	1,073,760	105,511	56,990	22,625	1,258,886
TOTAL	121,791,840	23,054,916	8,770,305	1,570,625	155,187,686

---

*Approximately two-thirds of this amount will be provided by a $0.0020 tax on Statewide Adjusted Assessed Valuation with the remainder coming from the State School Fund.

**A 20 cent base tax rate was used with the state providing 40 per cent of its computed share. The aid to each district was for Resident Regular Students only and was based on its 1965-66 tax rate up to a maximum of 50 cents.

***The tax rates applicable solely to Junior Colleges are not available for unified or High School Districts, therefore, in order to avoid underestimating total costs to the state it was assumed that these districts were taxing at a rate of 50 cents.

ERRATA

Typographical and Editorial Errata

p. 2, col. 2	Line 3 of paragraph 4 should read: junior colleges, while simultaneously,...
p. 3, col. 1	Line 1 of the second paragraph under the heading Expenditures should read: There are no current data...Line
p. 4, col. 2	Under the heading, Class Size and Staff Ratios, line 8 should read: a ratio of 20.3; line 10 should read: ratio in California was 21.3.
p. 7, col. 1	The last number in Table 1 under the heading Total Costs should be: 390.
p. 11, col. 2	The page citation under footnote 40 should be: pp51 and 416.
p. 19	There should be two asterisks after "districts" in the last line of col. 1 and two asterisks in front of the footnote at the bottom of col. 2.
p. 20, col. 1	The third line of text should read: Table 4-1 and not Chart 1.
p. 25, col. 1	The 8th line from the bottom should read: ...with the compensation for loss set at 80 per cent. And the ninth line should read: enrollment?), (4) if with the same Foundation Program, school...Also, the fourth line of paragraph 2 should read: was lowered from 33 cents to 25 cents. ...
p. 27	A final district should be plotted at $1,077 TCEE/ADA and $399 thousand AAV/ADA.
p. 31, col. 1	The 3rd line of text should read: 1959-60 and not 1957-58.
p. 36, Table 6-1	D21 should read: Population of district (with $\log_e$ transformation)
P. 37, col. 2	The 6th line from the bottom should read: inequalities in financial ability between districts which were dis-
p. 38, Table 6-5	D21 should read: Population of district (with $\log_e$ transformation)
p. 41, col. 1	Under, 3. Cost Estimates, the 3rd paragraph, line 2 should read: $82,175,468 and not $86,545,118, and line 6 should read $15,527,028 and not $19,896,678.
p. 41, col. 2	Equation (5) should read: $SA_{r+g,i} = \$600\ A_r + \$600\ A_g - .0025\ V_i$
p. 48	The Foundation Programs of Districts A, B and C should be: $480.
P. 49, col. 1	Under, 7. Discussion, line 10 should read: $480 and not $480,000. The 6th line from the bottom should read: state aid. Thus,

	the plan...
p. 55, Table 7-2	The 2nd note should read: **Tax Rate ($250,000), and the 3rd note should read: ***.4(col. 4 - col. 3).
p. 56, Table 7-3	The 1st note should read: *See chapter 7, page 41.... The 3rd note should read: *** Estimated state aid using same data as in above proposals (see chapter 7, page 41).
p. 62	The column headings should read: $\frac{\text{AAV}^{a}}{\text{ADA}}$, $\frac{\text{TCEE}^{b}}{\text{ADA}}$, $\frac{\text{TCEE - Tr.}^{c}}{\text{ADA}}$, $\frac{\text{Inst.}^{d}}{\text{ADA}}$
p. 72	Total state aid for Santa Ana (Orange) should be: 694,190.
p. 74	Total state aid for Santa Monica (Los Angeles) should be: 663,343.

MINOR ERRATA

p. 12, col. 1	Under GUIDELINE 1A, the 6th line of discussion should read:...What is meant
p. 13, col. 1	The sixth line of paragraph 1 should read: forced to expend more...
p. 30, col. 2	The note should read: Data on which the analysis was based may be found in Appendix C.
p. 38, col. 2	Under, Summary, the 6th line should read: students, in a statistical sense, who are enrolled in the
p. 49, col. 1	The sixth line from the bottom should read: state aid. Thus, the plan favors ...
p. 53, col. 2	The second line of paragraph 3 should read: benefits from an educated populace,...
p. 56, col. 1	The fifth line of paragraph 2 should read: districts having valuations...
p. 60, col. 2	The 11th and 12th lines from the top should read: ...Since such districts receive only basic and... The 21st and 22nd lines from the top should read:... state basic aid, equalization aid, and any portion of the federal revenue.
p. 63	The seventh line from the bottom should read: ties. Cities of Gustine, Los Banos, ... And the third line from the bottom should read: Colton, Crestman, Del Rosa, ...
p. 65	The fourth line from the bottom in the note should read: difference between this $12.5 million increase and our $20 million estimated increase....

There are other minor errors which the reader will undoubtedly notice, but the correct reading in each case should be evident.